Plaintiff's Exhibit 723

5506 STATE DEPARTMENTS

OREGON

RETIREMENT OF PRESIDENT WATTS

Portland, Ore., March 25, 1937.

The March meeting of the Council of Oregon State Medical Society was held at Mallory Hotel March 24 at 6 p.m. Business was transacted following dinner.

Thomas W. Watts, who became president of the Society last fall, presented his resignation from that office on account of poor health. The resignation was accepted with deep regrets which were expressed by every member present. It is unfortunate that his health will not allow him to continue to hold the office. Dr. Watts felt that certain matters pending before the Society required the active participation of the president and could not be handled satisfactorily by an acting president. All present hoped for the early recovery of Dr. Watts and many expressions of esteem were voiced.

Charles E. Sears, first vice-president, was elected president for the remainder of the year to fill the vacancy which resulted from the resignation of Dr. Watts. A vote of confidence was given Dr. Sears and members approved the manner in which he had functioned as acting president up to this time. By vote of the Council, J. C. Vandevert of Bend, second vice-president, was elected first vice-president, W. W. Baum of Salem, third vice-president, was elected second vice-president, and Richard B. Adams, Portland, was elected third vice-president to fill the vacancy.

The Executive Committee reported that they favored wider distribution of our national health publication, Hygeia, and recommended and the Council approved (1) that a subscription to Hygeia be presented to every school of a typical county in the state and a survey of the result be made later as a guide to future action; (2) to cooperate with the Parent-Teacher Associations to help promote medical service to the preschool child as well as to the older children; and to cooperate in advising the parents of the benefits from having medical examination of their children at proper intervals; (3) that remedial measure for school children be administered by the family physician wherever possible, especially regarding the prevention of smallpox, diphtheria immunization and tuber-

culin testing; (4) that the health education in primary schools be in cooperation with local medical societies.

The secretary reported on the United States Public Health Service campaign for control of syphilis and made several recommendations. It was voted that an advisory committee be appointed from the state society and that one associate member be appointed from each component county society. It will be the duty of the latter to advise the local society of the actions of the Council and to distribute such information as may be available.

In another part of this issue will be found a detailed report of the bills before the legislature and a discussion of those which were passed, as well as of those which were defeated. An expression of appreciation was voted to our legislators: Senator J. A. Best of Pendleton; Representatives J. F. Hosch of Bend, A. K. Higgs of Portland, C. T. Hockett of Enterprise and O. A. Waller of Eugene, for their efforts for the benefit of public health.

A vote of thanks was given to Mr. C. C. Foley, our Executive Secretary, and to Drs. Richard B. Adams, E. D. Lamb and W. T. Johnson for their work at the legislature. These men not only helped to defeat legislation which was not in the interest of public health but aided in the enactment of several measures and amendments which strengthened the laws for the benefit of public health.

A. G. BETTMAN, *Editor*

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(This exhibit is part of the April 1937 issue of *Northwest Medicine.*)

Plaintiff's Exhibit 724

5507

MINUTES
of the Regular Meeting of the Council
of the Multnomah County Medical Society
held at the Campbell Court Hotel
Tuesday, March 10th, 1936 at 12:15 P.M.

The meeting was called to order by the President, Dr. Banner R. Brooke, with the following members present:

Banner R. Brooke
Louis P. Gambee
Otis F. Akin
Roy A. Payne
T. Tharaldsen

Frank R. Mount
John C. Adams
Stanley Lamb
Charles E. Sears
W. F. Hollenbeck
Robert L. Benson
F. P. Johnson
A. G. Bettman

Dr. W. Donald Nickelsen was also present.

The minutes of the previous meeting were read and approved.

5508 • • • • •

A statement of policy and questionnaire to the membership concerning contract practice, submitted by Dr. Stanley Lamb, was discussed. Upon motion duly made and seconded it was voted that the statement be adopted and the questionnaire approved with some amendments, the final form reading as follows:

A STATEMENT

The Council of the Multnomah County Medical Society announces its determined opposition to all contract practice not in harmony with the policies, rulings, and code of ethics of the American Medical Association. We believe that our attitude is for the best interest of the medical profession, and the public welfare. We therefore call upon our membership engaged in these groups as active members, or as consultants, to sever their connections with all such forms of practice.

We realize that many of our most loyal members have in the last few years considered favorably an organization for the purpose of combating the unfair practices of the commercial groups; but our code of ethics applies to groups, as well as to individuals. Since solicitation is apparently necessary for the success of such organizations, all groups employing solicitation, no matter what their purpose, are operating in defiance of our code.

We are pledged to the support of the code of ethics of our national and state organizations, and therefore urge all society members approving this request to sign the questionnaire which is being mailed to them.

5509 *A SURVEY*

(For the information of the Council of the Multnomah County Medical Society)

All members are requested to respond to each statement printed below, sign the declaration and return it to the secretary. The responses will be considered confidential. If any member feels that he should not sign his name, he may return the form unsigned. However, it is the wish of the Council that there may be 100% response, and that all sections of the form be filled out. Please attend to this at your earliest possible convenience. Space is provided for comments and a free expression of opinion is desired.

1. The undersigned (approves / disapproves) of the policy of the Multnomah County Medical Society Council in its opposition to all contract practice not in harmony with the policies, rulings, and code of ethics of the American Medical Association. (Cross out bracketed word which *does not* express your sentiment).

2. The undersigned (is / is not) willing to join in an agreement not to engage in any work for Hospital Associations, including consultation work. (Cross out bracketed words that *do not* express your sentiments).

.....
Signed

COMMENTS:

The following motion was made by Dr. Roy A. Payne, seconded and carried:

We hereby move that the Council of the Multnomah County Medical Society authorize its Committee on Constitution, to draw up an amendment which shall in proper parliamentary order be submitted to the Council and Members of the Society for approval.

This agreement shall contain the following items:

1. A rule that in each membership application form, from now on, received by the Council of the Multnomah County Medical Society, there shall be a statement that the applicant agrees voluntarily to withdraw from the Multnomah County Medical Society and forfeit all the rights and privileges

that are inherent in such membership, whenever he shall knowingly engage in any contract practice, other than such contract practice as may be listed as having the approval of the American Medical Association and the state and local societies.

2. This amendment shall include provisions by which a poll be taken of the existing members of the Society, to obtain signatures to a similar agreement of all those who are willing voluntarily to submit to the same agreement.

There being no further business the meeting was adjourned.

(Signed) JOHN C ADAMS
Secretary

Plaintiff's Exhibit 725

5510

MINUTES
of the Regular Meeting of the Council
of the Multnomah County Medical Society
held at the Campbell Court Hotel
Tuesday, May 5, 1936, at 12:15 P.M.

The meeting was called to order by the President, Dr. Banner R. Brooke, with the following members present:

Banner R. Brooke
T. Tharaldsen
Otis F. Akin
W. F. Hollenbeck
A. G. Bettman
John C. Adams
Charles E. Sears
Robert L. Benson
Guy L. Boyden
Stanley Lamb
S. H. Sheldon
Merl L. Margason
Roy A. Payne
T. Homer Coffen

Dr. Thomas Wynne Watts was also present.

The minutes of the previous meeting were read and approved.

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Upon motion duly made and seconded, it was voted that the following amendment to the by-laws, which was pre-

sented to the Council and in open society on April 22, 1936, be adopted:

Chapter I, Section 2.

2a. On December 31, 1936, and annually thereafter on each December 31st, membership in this Society shall terminate; except that the membership of life members, honorary members and members of the Council shall not terminate, and the Society shall not be thereby terminated.

5511 At least 30 days prior to December 31, 1936, and annually thereafter at least 30 days prior to each December 31st, every person desiring membership in this Society shall make written application therefor to the Secretary of the Society on forms to be furnished by him, together with a tender of all unpaid dues such applicant may owe to the Society.

The Council shall consider the applications for membership, and shall accept or reject said applications; provided that it shall require a two-thirds vote of the Council to reject any applicant who shall have been a member of this Society immediately before filing his said application. Accepted applicants shall be members from the time of such acceptance. Within 20 days after January 1, 1937, and within 20 days after each January 1 thereafter, the Secretary shall mail to each applicant a written notice stating that he has been accepted or rejected.

This by-law shall be in addition to the other provisions concerning membership now included in the Constitution and By-Laws of this Society.

Any applicant whose application is thus refused may file a written "Demand for Acceptance of Application" with the Council of the Oregon State Medical Society, within six months after the state on which his application was required to be filed, which will be in the nature of an appeal to said Council. The applicant shall have the burden of proving his qualification for membership. The decision of the said Council shall be final and binding on this Society.

The vote on the adoption of this amendment was: Ayes—13—Akin, Hollenbeck, Bettman, Sears, Benson, Boyden, Lamb, Sheldon, Margason, Payne, Coffen, Adams, Brooks; Nays—1—Tharaldsen.

There being no further business, the meeting was adjourned.

(Signed) JOHN C ADAMS
Secretary

Plaintiff's Exhibit 726

5512

MINUTES

of the Reconvened 1935 Annual Meeting of the Multnomah County Medical Society held in the Auditorium of the Portland Turn Verein Wednesday, July 1, 1936, at 8:00 P. M.

The meeting was called to order by the President, Dr. Banner R. Brooke.

President Brooke announced that the present meeting was a reconvening of the recessed meeting of December 18, 1935, and that therefore the first item of business was unfinished business.

Upon motion duly made and seconded, it was voted that a recess be called in order to permit Dr. Morris Fishbein, Editor of the Journal of the American Medical Association, and Dr. Walter L. Bierring, Past-President of the Association, to address the Society, as it was necessary for them to leave within a short time.

Dr. Bierring and Dr. Fishbein, addressed the meeting concerning the policies of the American Medical Association, with particular reference to questions of ethics and economics.

President Brooke then called the meeting in regular business session.

Upon motion duly made and seconded, it was voted that the Society go into executive session and that attendance be limited to members of the Society, members of the Council of the Oregon State Medical Society, and officers of its component societies.

President Brooke announced that there were two items of unfinished business to be considered:

(1) Shall the report of the Committee on the Study of Medical Care for Low-Income Persons be adopted?

(2) Shall the Society restore its approval to the Multnomah Industrial Health Association?

It was moved and seconded, that the report of the Committee on the Study of Low-Income Persons be adopted.

The question was discussed by F. H. Dammasch, John H. Fitzgibbon, Carl J. Hollingworth, A. J. McLean, W. K. Livingston, W. F. Patrick, and Charles E. Sears.

The question was called for and the members voted by individual secret ballot. The ballots were counted and the

President announced that the report of the Committee on the Study of Low-Income Persons had been adopted by a vote of 145 to 84.

President Brooke announced that the second item of unfinished business was now to be considered.

It was moved and seconded that the Society's approval of the Multnomah Industrial Health Association be restored.

5513 The question was discussed by F. H. Dammasch, Eugene P. Owen, John H. Fitzgibbon, Lee W. Dickinson, and others.

The question was called for and the members voted by individual secret ballot. The ballots were counted and the President announced that the Society had voted against restoring its approval to the Multnomah Industrial Health Association by a vote of 129 to 78.

A resolution was offered and upon motion duly made and seconded, it was voted that it be adopted in the following form:

WHEREAS, the various Councils and Board of Censors elected to the Multnomah County Medical Society for many years past have been derelict in enforcing the Principles of Medical Ethics, particularly in relation to contract practice; and

WHEREAS, as a result of this dereliction, unethical contract practice, involving advertising, solicitation of patients, and profit to lay promoters from the services of our members, has become so widespread as to threaten the very existence of ethical medical practice and the ethical physician; and

WHEREAS, our national organization, ever watchful of forces inimical to good medical service to the public and the welfare of the physician, is alarmed at the growth of unethical contract practice in our city and state, and recognizes that this trend is leading inevitably to the complete commercialization of the medical profession and finally to political control of medical practice with resultant destruction of the highest values of scientific medicine; and

WHEREAS, our national organization has recently adopted certain definite policies indicating clearly that it will give its fullest support to our Society

in its efforts to eliminate unethical practices in connection with contract practice in which a minority of our membership has become involved;

THEREFORE BE IT RESOLVED, that the Multnomah County Medical Society does now declare in the strongest terms its intention to reinstate in local medical practice the fundamentals of professional service, as embodied in the Principles of Medical Ethics and its own constitution and by-laws, and henceforth to exact from each and every one of its members a strict adherence to these fundamentals; and

BE IT FURTHER RESOLVED, that our Society does hereby command its Council, its Board of Censors, and its other appropriate bodies and committees to proceed as expeditiously as possible to carry out the policies and purposes expressed therein.

Upon motion duly made and seconded, it was voted that the Society go out of executive session and return to regular session and that all actions taken in executive session be official actions of the Society.

The meeting was adjourned at approximately 12:30 A. M., July 2, 1936.

(Signed) JOHN C. ADAMS
Secretary

Plaintiff's Exhibit 727

5514

MINUTES
of the Special Meeting of the Council
of the Multnomah County Medical Society
held at the University Club
Monday, July 13, 1936, at 12:15 P. M.

The meeting was called to order by the President, Dr. Banner R. Brooke, with the following members present:

Banner R. Brooke
W. F. Hollenbeck
A. G. Bettman
Frank R. Mount
Eugene W. Rockey
Roy A. Payne

S. H. Sheldon
Robert L. Benson
Charles E. Sears
Stanley Lamb

Ralph A. Fenton, John H. Fitzgibbon, Thomas M. Joyce, C. H. Manleve, Eugene P. Owen, and the executive secretary were also present. Blaine B. Coles, a member of the Board of Trustees of the Good Samaritan Hospital, and David Lofgren, a member of the Board of Trustees of the Emanuel Hospital were also present.

Dr. Brooke announced that the meeting had been called as a result of a report to the effect that several of the hospitals were contemplating an agreement with the Industrial with the Industrial Hospital Association under which the association would sell hospital service on a prepayment basis.

There was a general discussion concerning various types of hospital insurance and the dangers of schemes promoted by commercial organizations in which various members of the Council, the representatives of the hospitals, and others participated. The spokesmen for hospitals indicated clearly that they would not cooperate in any proposed plan which did not have the approval of the society.

Upon motion duly made and seconded, it was voted that the recommendation be made that no prepayment plan of hospitalization be adopted by the hospitals until such plan has been approved by the Council, and that the Committee on Hospital Betterment meet with a committee representing the hospitals for the purpose of studying the proposed scheme and other hospital insurance plans now in operation in various cities.

There being no further business, the meeting was adjourned.

(Signed) JOHN C. ADAMS
Secretary

Plaintiff's Exhibit 728

5515

MINUTES
of the Special Meeting of the Council
of the Multnomah County Medical Society
held at the Campbell Court Hotel
Wednesday, July 29, 1936, at 12:15 P. M.

The meeting was called to order by the President, Dr. Banner R. Brooke, with the following members present:

Banner R. Brooke
T. Tharaldsen
Otis F. Akin
W. F. Hollenbeck
A. G. Bettman
Robert L. Benson
Charles E. Sears
Roy A. Payne
Franklin P. Johnson
Eugene W. Rockey
T. Homer Coffen
Frank R. Mount
S. H. Sheldon

The executive secretary was also present.

The minutes of the two previous meetings were read and approved.

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5516 Dr. Sears presented the following report of the Board of Censors:

In addition to several informal conferences at which matters of policy were discussed, your Board of Censors has held two meetings to which various members of the Society were asked to appear for preliminary examination into certain reported violations of the Principles of Medical Ethics and our constitution and by-laws.

The cases considered to date may be classified as follows:

Unethical contract practice 4
Association with cult practitioner 1
Criminal abortion. 1

These cases were all handled under the provision of the by-laws which calls for preliminary investigation of reported violations.

Of the four cases involving unethical contract practice, one of the members complained against has ceased his connection with this type of practice; a second member has indicated that he will do likewise within the near future. The other two members cited have not indicated that they intend to discontinue their unethical contract practice. It will therefore be necessary that formal charges be brought against these two members.

In the case involving association with a cult practitioner, no further action need be taken as the member in question is believed to now be fully aware that such association is unethical and that he will not repeat this error.

The following applications have been referred to the Board of Censors during the year to date:

Harrison D. Huggins
A. D. Elmer
Robert W. Bruce
Joseph M. Roberts
Richard Scott Fixott
William J. Swett
Robert H. Shiomi
John B. Flynn
Herbert E. Goldsmith
Carl G. Ashley
Helen G. Dennis
Jack W. Dowsett
A. Holmes Johnson
Alfred E. King

All of the above applicants were recommended for acceptance into the Society, except Alfred E. King who was not recommended by reason of his engaging in unethical contract practice.

The Board has adopted a rule that each applicant for membership or reinstatement shall appear in person before the Board prior to action on his application.

5517 The following applications for reinstatement were referred to the Board of Censors during the year to date:

W. Donald Nickelsen
Claude A. Lewis

The Board recommends to the Council that the application for reinstatement of Dr. W. Donald Nickelsen be not approved. The Board recommends that the application for reinstatement of Dr. Claude A. Lewis be approved but that the Secretary be instructed to write a letter to Dr. Lewis informing him that the Council censures certain phases of his association with a suit for damages in which he appeared last year.

The Board of Censors has given serious consideration to certain defects in our machinery for the enforcement of the Principles of Medical Ethics. It should be borne in mind that the Board of Censors is a judicial and not a prosecuting agency and that the judicial character of the Board must be preserved at all times if its acts are to be sustained in the event of an attack. After consulting with legal counsel, the Board makes the following recommendations in order to accomplish this purpose:

1. That the Council appoint a Grievance Committee with power to investigate any alleged unethical conduct of members coming to their attention in any way and to bring such reports to the Board of Censors as it deems desirable.

2. That in cases in which formal charges are pending before the Board of Censors the Council, or the President, appoint one or more members to present the case against the accused member.

3. That the Council appropriate sufficient funds to enable the Grievance Committee to employ a young attorney to collect the evidence of unethical conduct against any member charged with such conduct, to provide necessary stenographic assistance to the committee, to permit the employment by the Board of Censors of a court reporter to keep an accurate record of the proceedings of the Board when it is considering formal charges against a member. This latter request is extremely important for the reason that upon an appeal to the Oregon State Medical Society or the American Medical Association it is necessary that a complete and accurate record of each case be available.

Upon motion duly made and seconded, it was unanimously voted that the recommendation of the Board of Censors that the application for membership of Alfred E. King be rejected be adopted.

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5518 Upon motion duly made and seconded, it was unanimously voted that the following recommendation of the Board of Censors be adopted:

That the Council appoint a Grievance Committee with power to investigate any alleged unethical conduct of members coming to their attention in any way and to bring such reports to the Board of Censors as it deems desirable.

Upon motion duly made and seconded, it was unanimously voted that the following recommendation of the Board of Censors be adopted:

That in cases in which formal charges are pending before the Board of Censors the Council, or the President, appoint one or more members to present the case against the accused member.

Upon motion duly made and seconded, it was voted, Dr. Johnson alone dissenting, that the following recommendation of the Board of Censors be adopted:

> That the Council appropriate sufficient funds to enable the Grievance Committee to employ a young attorney to collect the evidence of unethical conduct against any member charged with such conduct, to provide necessary stenographic assistance to the committee, to permit the employment by the Board of Censors of a court reporter to keep an accurate record of the proceedings of the Board when it is considering formal charges against a member.

Upon motion duly made and seconded, it was unanimously voted that the following resolution be adopted:

BE IT RESOLVED by the Council of the Multnomah County Medical Society, that:

1. A special committee, called the Grievance Committee, be, and it is hereby created.

2. The members of the committee shall be Karl H. Martzloff, Chairman; Richard B. Adams and Frederick A. Kiehle; provided, that, in the event any of the above-named members do not accept appointment, the President is hereby authorized to appoint another member to fill the vacancy.

3. The functions and duties of the committee be as follows:

(a) Investigate any alleged unethical conduct of any member of the Multnomah ~~County~~ Medical Society coming to its attention in any way, or through any source;

(b) Determine whether or not there is any foundation to the accusation of any such member of unethical conduct;

(c) Make such reports to the Board of Censors and the Council on the result of such investigation as may be deemed best by such Committee;

(d) Make and file any written charges against any member of this Society as is called for by the By-Laws, when the committee deems such a course advisable and justified.

(e) Pursue any other course of conduct under the Constitution and By-Laws of this Society as it may deem advisable to the end that any report of unethical conduct on the part of any member be completely investigated and its truth or falsity established.

4. The term of this committee shall be to the first meeting of the Council following the 1936 annual meeting of the Society.

5. The committee is hereby given the authority to employ such assistance as it may deem necessary for the full performance of its duties, to be paid for by the Society, but not to exceed the sum of $500.00, except upon the authorization of the Council.

There being no further business, the meeting was adjourned.

(Signed) JOHN C. ADAMS
Secretary

Plaintiff's Exhibit 729

5519

MINUTES
of the Special Meeting of the Council
of the Multnomah County Medical Society
held in the auditorium of the Medical-Dental Building
Monday, December 7, 1936, at 7:30 P. M.

The meeting was called to order by the President, Dr. Banner R. Brooke, with the following members present:

Banner R. Brooke
Otis F. Akin
A. G. Bettman
S. H. Sheldon
Roy A. Payne
T. Homer Coffen
Charles E. Sears
Merle L. Margason
Robert L. Benson
Stanley Lamb
Guy L. Boyden

Richard B. Adams, A. M. Webster, Russell H. Kaufman, and the executive secretary were also present.

Dr. Brooke announced that letters of resignation had been received from C. G. Sabin, J. D. Leonard, George R. Suckow, and T. Tharaldsen.

On motion duly made and seconded, it was unanimously voted that the following resolution be adopted:

WHEREAS, Heretofore, written charges were filed against Drs. C. G. Sabin, George R. Suckow, J. D. Leonard, and T. Tharaldsen as members of the Multnomah County Medical Society, based upon certain alleged acts and practices contrary to the principles of medical ethics; and

WHEREAS, the Board of Censors of this Society, after investigating and hearing said charges in accordance with the Constitution and By-Laws of the Society, presented its conclusions to the Council to the effect that the charges against each member are sustained and recommending that said members be expelled; and

WHEREAS, while this Council was giving formal consideration to the conclusions and recommendations of the Board of Censors; and while holding in abeyance its decision at the request of said members pending the furnishing of additional evidence by them, the Council has now received the resignation of said members.

NOW THEREFORE, IT IS RESOLVED by the Council of the Multnomah County Medical Society that the aforesaid resignations of Drs. C. G. Sabin, George R. Suckow, J. D. Leonard, and T. Tharaldsen be accepted and placed on file with the written charges and the conclusions and recommendations of the Board of Censors.

5520 Dr. Sears read letters received from the Benson Timber Company and the B. F. Johnson Lumber Company protesting any disciplinary action by the Society against Drs. Sabin, Leonard, Suckow, and Tharaldsen.

Dr. Margason read a letter sent to an employer by the National Hospital Association soliciting support in opposition to disciplinary action against these physicians.

Franklin P. Johnson and John C. Adams here arrived at the meeting.

Dr. Coffen called attention to the article in the December 1936 issue of Chapman's "Oregon Voter" concerning the

prevailing situation. Dr. Coffen expressed the opinion that a brief and carefully prepared statement indicating that the Society is only purging itself in accordance with its constitution and by-laws and those of the Oregon State Medical Society and the American Medical Association should be supplied to the press.

It was pointed out that the state society had appointed a committee to handle publicity in the present situation and that the committee had conferred with Mr. W. S. Kirkpatrick, as public relations counsel. It was pointed out that Mr. Kirkpatrick advised against the issuance of any statement following the resignation of Dr. Sabin.

It was stated that Mr. Kirkpatrick had advised that Mr. C. C. Chapman be interviewed by a small committee especially with regard to the financial load now being shifted to employees under the present hospital association system. It was further stated that Mr. Kirkpatrick had suggested that an explanatory statement be sent shortly to key members in each town with the request that each confer with the editor of the local newspaper and give him materials for editorials on the hospital association question and related matters.

The story in the "Portland News-Telegram" concerning the existing situation was read.

President Brooke called upon Dr. Kaufman, who stated that he had attended the meeting to learn how the Council conducted its business. He stated that the unions were aware of the shifting of the financial load to the workers under the hospital association method and were investigating this phase at the present time.

President Brooke called upon Dr. Webster, who stated that his first reaction was to fight the implied criticism of the Society now appearing in the press, but that on second thought he felt that such action would be unwise. He stated that he had long believed that the organized medical profession should place its views before the public, that, if necessary, it should establish a publicity department, and even pay for advertising space.

Dr. Seare emphasized the fact that the Society should undertake extensive missionary work among the membership.

President Brooke appointed an Entertainment Committee consisting of W. F. Hollenbeck, chairman; Guy L. Boyden, Roy A. Payne, and Franklin P. Johnson to care for the arrangements for the annual meeting.

There being no further business, the meeting was adjourned.

(Signed) JOHN C. ADAMS
Secretary

Plaintiff's Exhibit 730

5521

MINUTES
of the Meeting of the Council
of the Multnomah County Medical Society
held at the Campbell Court Hotel
January 6, 1937 at 12:15 P. M.

In the absence of President Otis F. Akin, the meeting was called to order by Dr. Karl H. Martzloff, vice-president, with the following members present:

Banner R. Brooke
Karl H. Martzloff
A. G. Bettman
Howard P. Lewis
Stanley Lamb
Frank R. Mount
Louis P. Gambee
B. O. Woods
Eugene W. Rockey
Roy A. Payne
John C. Adams
J. E. Buckley
Guy L. Boyden

Richard B. Adams and the executive secretary were also present.

The minutes of December 15th were read and approved.

A letter from Otis F. Akin in which he tendered his resignation as President was read. There was considerable discussion emphasizing the desirablity of Dr. Akin's continuing in office. Upon motion duly made and seconded, it was voted that a committee be appointed to visit Dr. Akin and ask him to withdraw his resignation. Dr. Martzloff appointed Eugene W. Rockey and Banner R. Brooke as this committee.

A letter from Howard E. Carruth submitting his resignation as a member of the Society was read. Upon motion duly made and seconded, it was voted that Dr. Carruth's resignation be accepted.

A letter from J. F. Bell submitting his resignation as a member of the Society was read. Upon motion duly made and seconded, it was voted that Dr. Bell's resignation be accepted.

A letter from George Norman Pease, suggesting that the problem of medical care for the low-wage earning group be met by a system of state medicine as now exists under the State Workmen's Compensation Law was read. Upon motion duly made and seconded, it was voted that this letter be laid upon the table.

A letter from John H. Besson, proposing hospital insurance and other suggestions to meet the demand for a plan for the care of the low-wage earner and his family was read. Upon motion duly made and seconded, it was voted that a reply be addressed to Dr. Besson thanking him for his letter and stating that it would be referred to the proper committee for study.

A letter from W. H. Thayer concerning the inadequacy of the fees paid to physicians by the State Industrial Accident Commission and various insurance carriers was read. Upon motion duly made and seconded, it was voted that a reply be addressed to Dr. Thayer thanking him for his letter stating that it would be referred to the proper committee for study.

5522 Dr. Bettman stated that three members of the Medical Society Telephone Service, Inc., were to be nominated for the office of Trustee for the three-year term ending in 1940. Upon motion duly made and seconded, it was voted that John R. Montague, C. O. Sturdevant, and S. G. Henricke be nominated and that these nominations be submitted at the annual meeting of the Medical Society Telephone Service on January 7th.

Dr. Martzloff announced that the Board of Censors was to be elected. Upon motion duly made and seconded, it was voted that the members of the Board of Censors for the past year, Charles E. Sears, Chairman; Robert L. Benson, and Frank R. Mount, be elected to serve during the present year.

Dr. Martzloff announced that consideration should be given to the continuation of the Grievance Committee created last year and to the personnel of this committee. Upon motion duly made and seconded, it was voted that the following resolution be adopted:

BE IT RESOLVED by the Council of the Multnomah County Medical Society, that:

1. A special committee, called the Grievance Committee, be and it is hereby created.

2. The members of the committee shall be Noble Wiley Jones, Chairman; Richard B. Adams and Frederick A. Kiehle; provided, that, in the event any of the above-named members do not accept appointment, the President is hereby authorized to appoint another member to fill the vacancy.

3. The functions and duties of the committee be as follows:

   (a) Investigate any alleged unethical conduct of any member of the Multnomah County Medical Society coming to its attention in any way, or through any source;

   (b) Determine whether or not there is any foundation to the accusation of any such member of unethical conduct;

   (c) Make such reports to the Board of Censors and the Council on the result of such investigation as may be deemed best by such Committee;

   (d) Make and file any written charges against any member of this Society as is called for by the By-Laws, when the committee deems such a course advisable and justified.

   (e) Pursue any other course of conduct under the Constitution and By-Laws of this society as it may deem advisable to the end that any report of unethical conduct on the part of any member be completely investigated and its truth or falsity established.

5523 4. The term of this committee shall be to the first meeting of the Council following the 1937 annual meeting of the Society.

5. The committee is hereby given the authority to employ such assistance as it may deem necessary for the full performance of its duties, to be paid for by the Society, but not to exceed the sum of $500.00 except upon the authorization of the Council.

Dr. Martzloff asked whether the Council desired to consider the appointment of a committee to study various

new plans of medical care which have been proposed in various parts of the country. Upon motion duly made and seconded, it was voted that a committee be appointed to study various new plans of medical care and, in so doing, to cooperate with the appropriate committee of the Portland hospitals. Upon motion duly made and seconded, it was voted that the acting president, with the assistance of one member of the Council to be chosen by him, should select a list of members from which the Council would select five members and additional alternates as the committee to study new plans of medical care.

There being no further business, the meeting was adjourned.

(Signed) HOWARD P. LEWIS
Secretary

Plaintiff's Exhibit 731

5622

MINUTES
of the Special Meeting of the Council
of the Multnomah County Medical Society
held at Society Headquarters
July 30, 1937 at 11:15 P. M.

The meeting was called to order by President Robert L. Benson with the following members present:

Robert L. Benson
Banner R. Brooke
Karl H. Martzloff
A. G. Bettman
Howard P. Lewis
Charles E. Sears
Louis P. Gambee
Frank R. Mount
B. O. Woods
John C. Adams
Leo S. Lucas
J. E. Buckley
Guy L. Boyden

Dr. Richard B. Adams, Chairman of the Grievance Committee and the Executive Secretary were also present.

The minutes of May 4th were read and approved.

Upon motion duly made and seconded, it was unanimously voted to consider the matters hereinafter reported which were not set forth in the notice of the meeting.

A letter from the Council of the Oregon State Medical Society requesting that a committee be appointed to assist them in collecting information, through questionaires accompanying the letter, concerning contract practice was read. Upon motion duly made and seconded, it was voted that the matter be referred to the Grievance Committee.

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5624 "*Resolved,* That it shall be considered unethical for any Fellow of the American Medical Association willingly to permit his name to be connected with any medical or surgical article or interview, of an educational nature or otherwise, that may appear in the lay press and possibly be construed as an act of self-exploitation, and that with the exception of those articles that shall be issued by public health officers or men not in private practice, all educational articles pertaining to medical or surgical subjects shall appear under the auspices of this Association or one of its component societies or constituent associations."

Respectfully submitted:

KARL H. MARTZLOFF (Signed)"

There was considerable discussion of the contents of this letter, but no formal action was taken.

The following report of the Board of Censors was read:

re contract practice of the Multnomah Industrial Health Association

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In performing the functions delegated to it by the Council, the Grievance Committee of the Society has investigated many angles of alleged unethical practices engaged in by members of the Society. Among the informal complaints received by officers of the Society and the Grievance Committee, have been complaints that the Multnomah Industrial Health Association (hereinafter called the "Association") has been conducting its contract practice contrary to the principles of medical ethics and that the doctors connected with this Association have likewise been engaged in unethical practices.

The Grievance Committee made a thorough investigation of these complaints. The investigation of the Grievance Committee was greatly facilitated by the coopera-

tive attitude of the officers of the Association. The Grievance Committee and its representatives were given the opportunity to examine all the books, minutes, and records of the Association and to hold conferences with regularly designated representatives of the Association. The Association appointed a committee composed of some of its officers and directors who were directly connected with the administration of its policies and who on several occasions met with members of the Grievance Committee to discuss the complaints.

5625 The Grievance Committee selected an accountant, namely, R. Erickson, to examine the books and records of the Association and make a report on matters involved in the complaints. This report is attached hereto as Exhibit "5". The Grievance Committee also employed an attorney, namely, George W. Mead, who had no former connection with the Medical Society or its functions, to make an independent investigation of the affairs of the Association, and make a report. This report is attached hereto as Exhibit "4". The Association also turned over to the Grievance Committee a copy of its regular contract, which is also attached hereto as Exhibit "3". The members of the Grievance Committee made personal investigations of charges of underbidding and solicitation and made a report to the Board of Censors regarding these matters.

After this intensive investigation by the Grievance Committee, the Board of Censors called a meeting on April 29, 1937, to make an informal investigation of the complaints against the Association. This preliminary investigation was held in the interests of conciliation and reformation, pursuant to Chapter I sections 6 and 7 of the By-Laws of the Society.

The following doctors were called and were present at this meeting:

Dr. Roy S. Stearns
Dr. W. H. Bueermann
Dr. F. H. Dammasch
Dr. George E. Henton
Dr. Joseph D. Sternberg
Dr. Birchard A. Van Loan
Dr. W. J. Gilstrap
Dr. Lester T. Jones
Dr. Eugene P. Owen
Dr. J. Guy Strohm
Dr. F. Floyd South, and
Dr. H. F. Leonard

Drs. Richard B. Adams and Stanley Lamb, members of the Grievance Committee of the Society also attended to present to the Board of Censors the complaints of alleged unethical practice. A stenographic transcript of the proceedings at this meeting is attached to this report as Exhibit "1".

Dr. Adams, as Chairman of the Grievance Committee, stated at this meeting that certain types of complaints have been received against the Association, namely,

(1) solicitation of patients,

(2) advertising and distribution of circulars,

(3) underbidding,

(4) that free choice of physicians is prevented by the limited panel of the Association,

(5) certain actions contrary to sound public policy, particularly in regard to inclusion within the contract of the Association of persons having an income well above the comfort level, and

(6) that the Association, through mass bargaining with hospitals had received lower rates for their patients than are received by patients of individual doctors.

Taking up the evidence of individual charges of unethical conduct against the Association:

5626 1. *Solicitation.* Representatives of the Association agreed that there had been solicitation of patients and industrial concerns by the Association. They stated, however, that no solicitation had been engaged in by the Association after July 1, 1936, and that no solicitation would be engaged in in the future. Prior to July 1, 1936, the Association had employed two solicitors and a sales manager, who received salaries, and in addition received a commission, based upon the number of contracts obtained by them. On July 1, 1936, these three men were discharged as solicitors and the practice of paying commissions has been entirely eliminated. One of the men who was formerly a solicitor is now on the pay-roll of the Association as an adjuster, but receives a flat salary, and no substantial evidence of solicitation since July 1, 1936 by this person or any other person has been presented to the Board of Censors.

The specific charges of solicitation of Wentworth and Irwin, The Fields Motor Car Company and Newberry Co. were found to have taken place either before July 1, 1936 or at the instance and request of the employees of the firms allegedly solicited.

2. *Advertising and distribution of circulars.* The evidence presented to the Board of Censors shows that no advertising has been engaged in by the Association for several years. It also shows that the circulars which are attached hereto as Exhibit "2" were printed approximately in 1933 and have not been distributed or used by the Association for several years.

3. *Underbidding.* The evidence shows that the charges of underbidding in the case of Fields Motor Car Company were unfounded.

4. The evidence shows that the practices of the Association permits any member of the Society to participate under the conditions of the plan.

5. The evidence shows that in the past in some few instances, people who received an income above the so-called "comfort" level, have been covered by contracts of the Association. A correction of this condition has now been made, insofar as the Association has been able to ascertain income of subscribers.

6. The evidence shows that during the Spring of this year, the hospitals have raised the rates charged to patients of the Association to $3.00 a bed. Prior to that time the Association paid $2.57 a bed, for ward patients.

The Association also presented to the Board of Censors at this meeting a resolution adopted by the Board of Directors of the Association in regard to the policies agreed to be pursued by the Association. This resolution is attached hereto as Exhibit "6".

This report is not to be interpreted by the Council in any way as an approval of the Multnomah Industrial Health Association, or its practices, or doctors connected with the Association. The only function of the Board of Censors is to investigate specific complaints against members of the Society and determine whether or not these complaints are justified, without in any manner approving any future course of conduct by members of the Society or passing upon the policy or social utility of the practices involved.

The physicians named above were in a position to represent the entire panel of the Association. Their activities are representative of those of all other physicians connected with the Association, and the alleged unethical conduct of the other may be judged by their practices.

5627 Respectfully submitted.

CHARLES E. SEARS (Signed)

FRANK R. MOUNT (Signed)

Board of Censors
MULTNOMAH COUNTY MEDICAL SOCIETY

Upon motion duly made and seconded, it was voted that this report be adopted and that it be inserted in the minutes.

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Dr. Sears stated that he had recently discussed the interpretation of the term "free choice of physician", with Dr. J. H. J. Upham, President of the American Association, and that he agreed with Dr. Sears' contention that each state medical society must work out a reasonable definition of the term to conform to its particular conditions.

• • • • •

Plaintiff's Exhibit 732

5628 November 26, 1937

Dr. H. R. Shields
Times Building
Portland, Oregon

Dear Dr. Shields

At the meeting of the Council of the Multnomah County Medical Society held on November 26, 1937, the Council voted to suspend you from the Society until April 1, 1938, or until such time as the Council is satisfied that you have discontinued your association with unethical practice; provided that if you have not discontinued your association with unethical practice by April 1, 1938, you are to be automatically expelled.

The Secretary of the Oregon State Medical Society will be duly apprised of the action of the Council.

The By-Laws of the Oregon State Medical Society provide:

> Chapter XII. Section 4. Any physician who may feel aggrieved by the action of his county or district society in suspending or expelling him, shall have the right to appeal to the Council, whose decision shall be final. A county or district society shall at all times be permitted to appeal or refer questions involving membership to the Council of the state society for final determination.

Very truly yours,

MULTNOMAH COUNTY MEDICAL SOCIETY

By.....
President

Plaintiff's Exhibit 733

5629

MINUTES
of the Special Meeting of the Council
of the Multnomah County Medical Society
held at the Mallory Hotel
Tuesday, November 30th at 12:15 P. M.

The Meeting was called to order by President Robert L. Benson with the following members present:

Robert L. Benson
Karl H. Martzloff
A. G. Bettman
Howard P. Lewis
Roy A. Payne
Frank R. Mount
Guy L. Boyden
Stanley Lamb
Louis P. Gambee
John C. Adams
Eugene W. Rockey

John H. Fitzgibbon, John R. Montague, Richard B. Adams, John J. Coughlin, legal counsel, and the executive secretary were also present.

The minutes of November 26th were read and approved.

Dr. Martzloff stated that he wished to withdraw his name as a nominee for the office of Vice-President, because

of the fact that Dr. Mount, who had been nominated for the office of President, and Dr. Rockey, who had been nominated for the office of President-Elect, were also on the Good Samaritan Hospital staff. No action was taken on Dr. Martzloff's proposal to withdraw his candidacy.

There was discussion concerning the possibility of entanglements arising from the nomination of George E. Henton as Treasurer, because of the fact that he is a member of the Board of Directors of the Multnomah Industrial Health Association, a contract organization which has been under conciliatory disciplinary action by the Board of Censors. Dr. Fitzgibbon was asked to present this point of view to Dr. Henton over the telephone. He reported that Dr. Henton recognized this point of view and was entirely willing to have his name with-drawn as a nominee. Stanley Lamb was then unanimously nominated for the office of Treasurer.

Chester C. Moore of Portland and R. J. Pilkington of Astoria, at their request, were given an opportunity to present their proposals to make their contract practice conform to the Principles of Medical Ethics of the American Medical Association. Dr. Pilkington and Dr. Moore presented their ideas in a general way. Upon motion duly made and seconded, it was voted that Dr. Moore and Dr. Pilkington be thanked for appearing and requested to submit specific proposals to make their contract practice ethical.

Mr. Coughlin pointed out that the Society grants no official approval to any contract organization, including the Multnomah Industrial Health Association, and that neither the Multnomah County Medical Society nor the Oregon State Medical Society were prompting or approving any scheme of contract practice. He stated that the only function of the Oregon State Medical Society was to counsel with its component medical societies for the purpose of seeing that proposed plans of contract practice are in conformity with the Principles of Medical Ethics.

Dr. Montague, Chairman of the Committee on Constitution and By-Laws, presented the following proposed amendments to the By-Laws:

(Insert Amendments)

5630 The Committee was tendered a vote of thanks for their work in developing these amendments.

Richard B. Adams presented a suggested statement to be presented to the general society concerning the nomina-

tion of officers. Upon motion duly made and seconded, it was voted that this statement be approved.

Dr. Fitzgibbon suggested that F. Bertram Zener, Chairman of the Society's Delegation to the Oregon State Medical Society, be asked to present at the annual meeting a report of the actions of the House of Delegates at the 1937 session.

Dr. Martzloff sugested that Dr. Fitzgibbon, Delegate to the American Medical Association, should also present a report at the annual meeting.

There being no further business, the meeting was adjourned.

Secretary

Plaintiff's Exhibit 734

5631 MINUTES OF THE REGULAR MEETING
OF THE COUNCIL OF THE MULTNOMAH
COUNTY MEDICAL SOCIETY
held in the Mallory Hotel
Tuesday, January 4, 1938
at 12:15 P. M.

The meeting was called to order by the President, Frank R. Mount, with the following members present:

Frank R. Mount
Eugene W. Rockey
Stanley Lamb
Howard C. Stearns
Roy A. Payne
John C. Adams
Leo S. Lucas
B. O. Woods
Noble Wiley Jones
E. E. Gambee
William A. Shea
Merle W. Moore
George E. Henton
Howard P. Lewis

Richard B. Adams, John H. Fitzgibbon, Adolph Weinzirl, C. L. Booth, John J. Coughlin, legal counsel, and the executive secretary were also present.

The minutes of December 15th were read and approved.

A list of the committees appointed by President Mount was read.

* * * * *

A letter from Chester C. Moore in which he outlined several proposals for changing the organization and method of operation of the plan of contract practice engaged in by him was read. This letter had been presented at the meeting of December 15th, but due to the imminent change in the Council and officers of the society, consideration was deferred. Upon motion duly made and seconded, it was voted that the Grievance Committee, in cooperation with legal counsel, be authorized to reply to this letter in behalf of the Council.

President Mount announced that the Board of Censors was to be elected. Charles E. Sears, Roy A. Payne, and Karl H. Martzloff were unanimously elected.

President Mount announced that consideration should be given to the continuation of the Grievance Committee and to the personnel of this Committee. Upon motion duly made and seconded, it was voted that the following resolution be adopted:

BE IT RESOLVED by the Council of the Multnomah County Medical Society, that:

1. A special committee, called the Grievance Committee, be and it is hereby created.

2. The members of the committee shall be Stanley Lamb, Chairman; E. E. Gambee, and Roger Holcomb; provided, that, in the event any of the above-named members do not accept appointment, the President is hereby authorized to appoint another member to fill the vacancy.

3. The functions and duties of the committee be as follows:

5632 (a) Investigate any alleged unethical conduct of any member of the Multnomah County Medical Society coming to its attention in any way, or through any source;

(b) Determine whether or not there is any foundation to the accusation of any such member of unethical conduct;

(c) Make such reports to the Board of Censors and the Council on the result of such investi-

gation as may be deemed best by such Committee;

(d) Make and file any written charges against any member of this Society as is called for by the By-Laws, when the committee deems such a course advisable and justified.

(e) Pursue any other course of conduct under the Constitution and By-Laws of this society as it may deem advisable to the end that any report of unethical conduct on the part of any member be completely investigated and its truth or falsity established.

4. The term of this committee shall be to the first meeting of the Council following the 1938 annual meeting of the Society.

5. The Committee is hereby given the authority to employ such assistance as it may deem necessary for the full performance of its duties, to be paid for by the Society, but not to exceed the sum of $500.00 except upon the authorization of the Council.

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Plaintiff's Exhibit 735

5634 MINUTES OF THE REGULAR MEETING
OF THE COUNCIL OF THE MULTNOMAH
COUNTY MEDICAL SOCIETY
held at the Mallory Hotel
Tuesday, April 5, 1938
at 12:15 P. M.

In the absence of President Frank R. Mount, the meeting was called to order by Karl H. Martzloff, Vice-President, with the following members present:

Eugene W. Rockey
Robert L. Benson
Karl H. Martzloff
Stanley Lamb
Howard C. Stearns
Charles E. Sears
Roy A. Payne
B. O. Woods

Noble Wiley Jones
E. E. Gambee
George E. Henton

John H. Fitzgibbon, S. G. Henricke, Adolph Weinzirl, John J. Coughlin, legal counsel, and the executive secretary were also present.

The minutes of March 1st were read and approved.

* * * * *

A letter from Dr. H. R. Shields and Dr. William F. Beck, stating that they had discontinued their association with unethical practice, was read. Upon motion duly made and seconded, it was voted that the following resolution be adopted:

WHEREAS, the Council of the Multnomah County Medical Society at a duly called meeting held on November 26, 1937 voted to suspend Drs. H. R. Shields and William F. Beck from the Society until April 1, 1938 or until the Council is satisfied that said doctors have discontinued their association with unethical practice; and

WHEREAS, said doctors have appraised the said Council of their withdrawal from unethical practice, and the Council is satisfied of that fact;

THEREFORE BE IT RESOLVED, that the suspension of Drs. H. R. Shields and William F. Beck be and the same is lifted as of April 1, 1938 and said doctors hereby are reinstated into membership in the Multnomah County Medical Society.

Plaintiff's Exhibit 736

5635. Minutes of the Special Meeting of the Council of the Multnomah County Medical Society held at the Campbell Court Hotel Wednesday, April 13, 1938 at 6:15 P.M.

In the absence of President Frank R. Mount, the meeting was called to order by Karl H. Martzloff, Vice-President, with the following members present:

Eugene W. Rockey
Robert L. Benson
Karl H. Martzloff

Stanley Lamb
Howard C. Stearns
Charles E. Sears
Roy A. Payne
B. O. Woods
J. E. Buckley
Noble Wiley Jones
E. E. Gambee
William A. Shea
George E. Henton

Blair Holcomb, Guy. L. Boyden, John H. Fitzgibbon, John J. Coughlin, legal counsel, and the executive secretary were also present.

The minutes of April 5th were read and approved.

Mr. Martzloff called upon Dr. Holcomb, Councilor of the Oregon State Medical Society for the First District, to report concerning the April meeting of the Council of the Oregon State Medical Society, with particular reference to the reports presented at that meeting by the Committee on Medical Economics.

Dr. Holcomb presented a written report of the activities of the Committee on Medical Economics of the Oregon State Medical Society, based upon excerpts from the proceedings of the Council and of the House of Delegates and the reports of the committee. The gist of these reports was the recommendation that some plan of full coverage, prepaid medical care should be established by the Oregon State Medical Society to include, not only industrial groups, but all low-wage earners, and eventually their families, the latter through a group hospitalization plan, these plans to be conducted by a statewide organization under standard contracts.

Dr. Martzloff stated that there should be a free expression of opinion concerning the proposal and that a policy should be developed in order that the delegates might be instructed at a later meeting.

There followed a general discussion of Preliminary Reports No. 1 and No. 2 of the Committee of Medical Economics of the Oregon State Medical Society. (The details of this discussion are included in an addendum to these minutes)

It was suggested that each member consider this question and submit his conclusions in writing and present them at a later meeting, with the idea that the conclusions of the

various members might assist in determining the concensus of opinion for the instruction of the delegates.

There being no further business, the meeting was adjourned.

Secretary

Plaintiff's Exhibit 737

5637 Minutes of the Regular Meeting of the Council of the Multnomah County Medical Society held at the Campbell Court Hotel Tuesday, May 3, 1938 at 12:15 P.M.

In the absence of President Frank R. Mount and Vice-President Karl H. Martzloff, the meeting was called to order by Eugene W. Rockey, President-Elect, with the following members present:

Eugene W. Rockey
Stanley Lamb
Charles E. Sears
Roy A. Payne
John C. Adams
J. E. Buckley
B. O. Woods
Noble Wiley Jones
E. E. Gambee
Merl W. Moore
George E. Henton

John H. Fitzgibbon, S. G. Henricke, Adolph Weinzirl, and the executive secretary were also present.

In the absence of Howard C. Stearns, Secretary, Dr. Lamb was appointed Secretary-Pro-Tem.

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5638 Dr. Fitzgibbon raised the question as to whether the Society should not adopt a definite policy for the guidance of its members with respect to charging insurance companies which, in connection with applications and claims, request reports from physicians concerning patients whom they have served. Upon motion duly made and seconded, it was voted that this matter be laid upon the table until the next meeting.

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(Signed) STANLEY LAMB
Secretary-Pro-Tem

Plaintiff's Exhibit 738

5639 Minutes of the Special Meeting of the Council of the Multnomah County Medical Society, held at the Mallory Hotel Tuesday, August 2, 1938, at 12:15 P.M.

In the absence of President Frank R. Mount and the delayed arrival of Vice-President Karl H. Martzloff, the meeting was called to order by Eugene W. Rockey, President, Elect, with the following members present:

Robert L. Benson
Eugene W. Rockey
Howard C. Stearns
Charles E. Sears
Roy A. Payne
J. E. Buckley
B. O. Woods
E. E. Gambee
Merle W. Moore
William A. Shea
George E. Henton

Louis P. Gambee, Vice-Chairman of the delegates to the Oregon State Medical Society, John H. Fitzgibbon and the executive secretary were also present.

The minutes of July 8th were read and approved.

Dr. Martzloff arrived at the meeting at this point.

Dr. Stearns reported that he had been contacted by I. C. Brill, who had suggested that Dr. Myron Prinzmetal of Los Angeles be schedules for an address before the society. Dr. Stearns stated that Dr. Brill had extended Dr. Prinzmetal an unofficial invitation to address the society at one of the fall meetings, but that it was desired to obtain the viewpoint of the Council before making any definite arrangements for Dr. Prinzmetal's appearance. Following extended discussion, it was concluded that it would be more appropriate for Dr. Prinzmetal to present his material at a meeting of the Portland Academy of Medicine. Upon motion duly made and seconded, it was voted that the Portland Academy of Medicine be requested to schedule Dr. Prinzmetal for the coming year, and that, if such an arrangement were impossible, the Program Committee arrange with Dr. Brill for Dr. Prinzmetal's appearance before the Society.

Dr. Louis P. Gambee, Vice-Chairman of the delegation to the Oregon State Medical Society, presented a report of

the mid-year meeting of the House of Delegates held on June 25th. He stated that the problem of contract practice and the care of low-wage industrial groups was the principal subject of discussion at the meeting. Dr. Gambee stated that the report of the Council outlined the efforts made to assist the component societies to meet this problem and indicated that substantial progress had been made through the establishment of local organizations of physicians to provide medical care to low-wage industrial groups on a prepayment basis. He summarized the recommendations made to the House of Delegates by the Committee on Medical Economics in the final report and outlined the proposal of the committee that the Oregon State Medical Society organize a statewide corporation to engage in contract practice.

Dr. Rockey called upon Dr. Fitzgibbon for an expression of opinion. Dr. Fitzgibbon stated that the Council of the Oregon State Medical Society and its Executive Committee had long since gone on record as being willing and ready to provide legal and other technical assistance to any local society which had determined that a plan to meet the problem of contract practice and the care of low-wage industrial groups is necessary in its particular community, and that such assistance had been given to several local societies. He stated that the Multnomah County Medical Society would need to decide what action it desired to take with respect to this problem.

5640 Dr. Fitzgibbon stated that the question upon which the delegates would be called upon to vote at the coming annual session is whether they favor a single, statewide plan or a plan of affiliated local organizations. He stated that he was opposed to the organization by the Oregon State Medical Society of a single, statewide corporation, because such action would involve centralization of control over medical practice, would violate the rights of the local societies, would result in a split in the membership of the Oregon State Medical Society, and would prevent it from exercising its established functions as an independent, censorial body.

Dr. Fitzgibbon stated that a need existed for statewide contracts to cover low-income employees of such organizations as trucking and similar companies, but that this need could be met by local organizations of physicians, provided a plan of coordinating them under the supervision of the Council of the Oregon State Medical Society was developed. He stated that he favored the organization of

local plans coordinated and supervised by the state society.

Dr. Fitzgibbon stated that plans to meet the problem of contract practice and the care of low-wage, industrial groups, under the actual or inferred approval of the local societies involved, were already in operation in Clackamas, Marion, Lane, and Jackson Counties. He stated that one of the possible solutions of the problem in Coos County and Multnomah County was to develop and place in operation local organizations of a generally similar character which would meet with the approval of the Coos and Curry Counties Medical Society and the Multnomah County Medical Society, respectively.

Dr. Fitzgibbon stated that this question had been under consideration for a long time by the Executive Committee of the Council of the Oregon State Medical Society and that the committee had developed a plan for meeting the problem of contract practice and the care of low-wage industrial groups. He suggested that Dr. Sears or Dr. Martzloff outline this plan.

Dr. Martzloff stated that the Executive Committee had been considering this question for a long time and had devised a plan to coordinate approved local organizations established to provide medical care to low-wage industrial groups. He stated that this plan was an extension of the policy of the state society during the past two years of assisting its component societies to establish local organizations to meet the problem of contract practice, but retaining in the state society the power of censorship.

Dr. Payne raised the question of solicitation of industrial groups by approved local organizations. Dr. Martzloff stated that the problem of solicitation did not arise when an approved local organization included all the physicians in a given community.

Dr. Sears stated that some plan for providing medical care to low-wage industrial groups was essential. He stated that two general solutions had been offered; namely, the establishment of local or district organizations, which would cooperate under the control of the Oregon State Medical Society, or the organization by the state society of a statewide corporation which would take in all existing ethical local groups. He stated that the various existing local organizations had been considering these two alternatives.

Dr. Sears stated that the committee on Medical Economics of the Oregon State Medical Society had done a tremendous amount of work and that the committee had felt it necessary to give no advance information concern-

ing its conclusions, in order not to defeat the purposes of its proposed plan. He stated that the committee had reached the decision that the state society must organize a corporation to engage in contract practice. He stated that many members did not approve a plan which would
5641 require the state society to become a corporation and involve the abolition of the rights of the local societies. He stated that the organization of a statewide corporation had some advantage, but also many disadvantages.

Dr. Sears stated that the Executive Committee had concluded that the state society should not become a corporation to engage in contract practice, but that the present program of assisting the component societies to establish local organizations should be continued and enlarged. He then read from an outline of a policy and program for accomplishing this objective.

Upon motion duly made and seconded, it was voted that the President be authorized to appoint a committee to analyze the report of the Committee on Medical Economics of the Oregon State Medical Society and report at an early meeting.

There was discussion concerning the need of developing a local plan to meet the problem of contract practice and the care of low-wage industrial groups. Upon motion duly made and seconded, it was voted that the President be authorized to appoint a committee to study the need of a plan operated by the Society to provide medical care to low-wage industrial groups, this committee to make a preliminary report at the next meeting.

There being no further business, the meeting was adjourned.

(Signed) Howard C. Stearns, *Sec.*
Secretary

Plaintiff's Exhibit 739

5642 Minutes of the Special Meeting of the
Council of
The Multnomah County Medical Society
Held at the Mallory Hotel
Friday, August 12, 1938, at 12:15 P.M.

In the absence of President Frank R. Mount and Vice-President Karl H. Martzloff, the meeting was called to

order by Eugene W. Rockey, President-Elect, with the following members present:

Robert L. Benson
Eugene W. Rockey
Howard C. Stearns
Roy A. Payne
B. O. Woods
E. E. Gambee
William A. Shea
George E. Henton

John H. Fitzgibbon, Louis P. Gambee, Charles P. Wilson, Richard B. Adams, and Adolph Weinzirl were also present.

The minutes of August 2nd were read and approved.

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Louis P. Gambee, Chairman of the special committee appointed to analyze the report of the Committee on Medical Economics of the Oregon State Medical Society, reported that the Council of the state society had voted not to recommend the proposal of the Committee on Medical Economics for the organization of a statewide corporation to engage in contract practice and had developed a substitute policy and program for the medical care of low-wage industrial groups. Dr. Gambee outlined this proposed policy and program and stated that his committee recommended that it be approved.

Dr. Adams stated that the plan proposed by the Council had been considered by the Committee on Medical Economics but that the feature of local autonomy had been rejected because it would prevent the exercise of necessary control over the participating physicians by the state society. He emphasized the importance of a centrally-controlled plan to provide medical service to workers whose duties extend over the state. He also stated that the plan of organizing partnerships of local physicians to engage in contract practice was financially dangerous to the physicians involved.

Dr. Fitzgibbon emphasized the necessity of keeping the Oregon State Medical Society out of the business of contract practice and free to exercise its censorial functions as an independent body.

Upon a motion duly made and seconded, it was voted that the committee appointed to analyze the report of the Committee on Medical Economics of the Oregon State

Medical Society be thanked for its work and that its recommendations be submitted to the Society's delegates.

Dr. Stearns moved that the delegates be instructed that the Council disapproves of the Oregon State Medical Society entering into contract practice in any way. This motion was not seconded.

5643 Dr. Wilson, Chairman of the special committee appointed to study the need of a plan to provide medical care to low-wage industrial groups, presented a preliminary report.

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There being no further business, the meeting was adjourned.

HOWARD C. STEARNS
Secretary

Plaintiff's Exhibit 740

5644 Minutes of the Regular Meeting of the
the Council of the
Multnomah County Medical Society
Held at the Mallory Hotel
Friday, October 7, 1938, at 12:15 P.M.

The meeting was called to order by President Frank R. Mount, with the following members present:

Frank R. Mount
Robert L. Benson
Eugene W. Rockey
Stanley Lamb
Charles E. Sears
Roy A. Payne
John C. Adams
B. O. Woods
Noble Wiley Jones
E. E. Gambee
George E. Henton

S. G. Henricke, Adolph Weinzirl, Joseph F. Wood, John J. Coughlin, legal counsel, and the executive secretary were also present.

In the absence of Howard C. Stearns, Secretary, Stanley Lamb was appointed Secretary-Pro-Tem.

The minutes of September 12th were read and approved.

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Dr. Wood outlined a proposed W.P.A. survey of the cost of providing medical care to low-wage industrial groups. He stated that Mr. E. J. Griffith, W.P.A. Administrator for Oregon, would approve the survey, but that he (Dr. Wood) wished to have the prior approval of the Society. Dr. Wood stated that such a survey, the entire clerical and statistical cost of which would be paid from W.P.A. funds, would be of great value in determining proper rates for prepaid medical care. Upon motion duly made and seconded, it was voted that the proposed W.P.A. survey be laid upon the table until later in the meeting after the report of the Committee on the Medical Care of Low-Wage Industrial Groups had been presented.

Plaintiff's Exhibit 741

5645 Minutes of the Special Meeting of the
Council of the
Multnomah County Medical Society
Held in the Auditorium of the Medical Dental Building
Monday, October 28, 1938, at 8:00 P.M.

The meeting was called to order by President Frank R. Mount, with the following members present:

Frank R. Mount, Eugene W. Rockey, Stanley Lamb, Howard C. Stearns, Charles E. Sears, Roy A. Payne, John C. Adams, J. E. Buckley, B. O. Woods, E. E. Gambee, William A. Shea, George E. Henton.

John H. Fitzgibbon, S. H. Sheldon, Charles P. Wilson, Richard B. Adams, John J. Coughlin, legal Counsel, and the executive secretary were also present.

Dr. Lamb, Chairman of the Committee on the Medical Care of Low-Wage Industrial Groups, reviewed the report of the Committee which was presented at the meeting of October 28th.

Upon motion duly made and seconded, it was voted that approval be given the Oregon Medical Service Bureau, formerly the Multnomah Industrial Health Association, as the organization to provide medical care to low-wage industrial groups, subject to the approval of a majority of the voting members of the Society, as indicated by a mail vote, and to the fulfillment of the following conditions:

1. That the name of the corporation be changed to "The Multnomah Medical Service Bureau".

2. That the voting stock of the corporation be sold only to physicians and surgeons duly licensed to practice in the State of Oregon, who are members of the Multnomah County Medical Society and the Oregon State Medical Society.

3. That the non-voting stock, so-called Class C Stock, be sold only to physicians and surgeons, legally licensed to practice in the State of Oregon, who are practicing outside of Multnomah County, and only in such cases as are approved by the Bureau of Medical Economics of the Oregon State Medical Society.

4. That all the Trustees of the corporation tender their written resignations to the Secretary of the corporation at once, the resignations to be effective on the date of the annual meeting of the corporation to be held in April 1939, and their successors to be elected by the stock-holders at the annual meeting.

5. That the voting trust agreement affecting Class B shares (new shares to be issued by the corporation) be limited to a two-year period and be amended to provide that any Trustee or Trustees may be recalled by the stock-holders of the corporation at any annual meeting or special meeting called for that purpose and their successors elected by the stock-holders to serve the unexpired term. (The Council concluded that the voting trust agreement should be rendered more flexible because, under it, the Trustees have all the powers and privileges of the stock-holders.)

6. That the eventual aim of the corporation be to provide medical and related services and allow a hospitalization plan to furnish hospitalization and related services independently of the corporation.

5646 7. That any other changes be made that appear to be necessary to give the physicians who will become members of the corporation after the reorganization, the same status as present members and that the corporation be operated in an ethical manner.

8. That following the approval by the Council of the corporation as the local organization to provide care to low-wage industrial groups, the Council shall select one member from among each 18 physicians who

subsequently become stock-holders of the corporation, to act in an advisory capacity to the Board of Directors until the annual meeting of the corporation.

9. That the corporation accept the offered resignation of the Medical Director as a member of the Board of Directors of the corporation; that it be the policy of the corporation in the future that the Medical Director and/or Business Manager shall not be a member of the Board of Directors; and that the vacancy in the Board of Directors so created be filled by a member of the Society nominated by the Council, such member to be a stock-holder of the corporation.

10. That the activities of the corporation be subject to the supervision of the Council.

11. That other associations or corporations which are now engaged in providing medical, hospital, and related services to low-wage industrial groups in Multnomah County be contacted at the earliest feasible opportunity, with the ultimate object of associating these agencies with the organization approved by the Council.

Upon motion duly made and seconded, the Secretary was instructed to send a report concerning this action and the facts with reference thereto to each voting member of the Society, with the request that each voting member express himself concerning it and that only such ballots be counted as shall be received at the office of the Society within five days of the mailing of the report and ballot.

There being no further business, the meeting was adjourned.

(Signed) HOWARD C. STEARNS
Secretary

Plaintiff's Exhibit 742

5647 Minutes of the Special Meeting of the
Council of the
Multnomah County Medical Society
Held at the Mallory Hotel, Monday, November 7, 1938
at 12:15 P.M.

The meeting was called to order by President Frank B. Mount with the following members present:

Frank R. Mount
Eugene W. Rockey
Robert L. Benson
Karl H. Martzloff
Stanley Lamb
Howard C. Stearns
Charles E. Sears
Roy A. Payne
John C. Adams
Leo S. Lucas
Merle W. Moore
B. O. Woods
E. E. Gambee
William A. Shea
George E. Henton

John H. Fitzgibbon, S. G. Henricke, Richard B. Adams, John J. Coughlin, legal counsel, William F. Selleck, public relations counsel, and the executive secretary were also present.

The minutes of October 25th were read and approved following a correction consisting of the addition of the words "in executive session" to the record of the following motion:

> "Upon motion duly made and seconded, it was voted that the report (report of the Committee on the Medical Care of Low-Wage Industrial Groups) be accepted and that action be deferred until a special meeting *in executive session* to be held on Friday, October 28th at 8:00 P.M., in the auditorium of the Medical-Dental Building".

The minutes of the meeting of October 28th were read and approved.

A letter from Dr. W. J. Gilstrap calling attention to the fact that several members in St. Johns and Linnton are rendering services for commercial hospital associations was read. On motion duly made and seconded, it was voted that this letter be referred to the Grievance Committee.

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Plaintiff's Exhibit 743

5648 Minutes of the Special Meeting of the
Council of the
Multnomah County Medical Society
Held at the Mallory Hotel on December 20, 1938
at 12:15 P.M.

The meeting was called to order by President Frank R. Mount with the following members present:

Frank R. Mount
Eugene W. Rockey
Robert L. Benson
Stanley Lamb
Roy A. Payme
John C. Adams
J. E. Buckley
Merle W. Moore
William A. Shea
E. E. Gambee
George E. Henton

Blair Holcomb, Richard B. Adams, John R. Montague, Earl D. DuBois, Frank Perlman, John J. Coughlin, legal counsel, and the executive secretary were also present.

In the absence of Howard C. Stearns, Secretary, Stanley Lamb was appointed Secretary Pro Tem.

The minutes of December 6th were read and approved.

A letter from Dr. Stuart H. Sheldon, withdrawing his name as a nominee for the office of President-Elect during 1939, was read. Dr. Sheldon had been nominated from the floor at the general Society meeting of December 7th.

A letter from Dr. Merl L. Margason, withdrawing his name as a nominee for the office of Vice-President during 1939, was read. Dr. Margason had been nominated from the floor at the general society meeting of December 7th.

A letter from Dr. A. G. Bettman, withdrawing his name as a nominee for the office of Treasurer during 1939, was read. Dr. Bettman had been nominated from the floor at the general society meeting of December 7th.

Dr. Lamb, Chairman of the Committee on the Study of Plans of Medical Care for Low-Wage Industrial Groups presented the following report:

(See report)

Upon motion duly made and seconded, it was voted that this report be adopted with commendation and that a copy

be immediately mailed to each member of the Society.

The following report of the Committee on Library, submitted by G. P. Pynn, Chairman, was read:

(See report)

Upon motion duly made and seconded, it was voted that this report be accepted.

Dr. Holcomb, Chairman of the Committee on Medical Economics, stated that the committee had made several verbal reports to the Council. He stated that the committee had devoted most of its time to a study of group hospitalization and that the committee favored the establishment of such a plan under the control of the Society. Upon motion duly made and seconded, it was voted that this report be accepted.

5649 Frank Perlman, Chairman of the Committee on Membership, submitted the following report:

(See Report)

Upon motion duly made and seconded, it was voted that this report be accepted.

Richard B. Adams, Chairman of the Committee on Publicity, reported that the committee had had no meetings and adopted no formal program. He stated that most of the publicity during the past year had been released directly by the Council or through Mr. William F. Selleck, newly appointed public relations counsel of the Oregon State Medical Society.

Upon motion duly made and seconded, it was voted that this report be accepted.

Dr. Sears outlined the events which led up to the publication of the article entitled "And Now Contract Medicine" in the magazine section of the Oregonian on November 13th. He stated that the Council of the Oregon State Medical Society had designated him, as President, to release publicity. He stated that when it was discovered that this article was in the course of preparation, every effort was made to provide the writer with authentic information concerning the Society's policy. It was the concensus of opinion that on a whole this article presented the subject of contract medicine in a fair manner.

Dr. DuBois, Chairman of the Committee on Hospital Betterment, submitted the following report:

(See Report)

Upon motion duly made and seconded, it was voted that this report be accepted.

Dr. Montague, Chairman of the Committee on Constitution and By-Laws, stated that the committee had no recommendations to make, because of the present state of flux in the Society with respect to certain major issues which might require substantial changes in the Constitution and By-Laws.

Dr. Sears, Chairman of the Committee on Public Policy and Legislation, stated that the committee had held no meetings as the function of the committee were largely that of cooperating with the Oregon State Medical Society. He outlined a number of proposed measures which have been under consideration by the Council of the Oregon State Medical Society.

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Plaintiff's Exhibit 744

5650

STANLEY LAMB, M. D.
Physician and Surgeon
321 Medical Arts Building
Portland, Oregon

December 20th, 1938

REPORT OF THE GRIEVANCE COMMITTEE OF THE MULTNOMAH COUNTY MEDICAL SOCIETY

The Grievance Committee working in conjunction with the Censors, was very active during the first half of 1938. From January to July, conciliatory meetings were held at two week intervals, with those members of the Society engaged in unethical contract practice. Thirty (30) members were summoned to appear before the Censors, some for the first conciliatory meeting, and some for the second and third meetings. Nine members mailed letters resigning from unethical contract practice, as a result of this activity. Others asked for a longer period of time to consider the matter, and some asked until November of this year. None of the latter group have been called for another hearing.

Formal charges were filed against three members.

No meetings have been held with the Censors to consider those engaged in unethical contract practice since the

State Meeting in August, it being considered advisable by the members of the two committees to defer further action against this group until the State Bureau of Economics was properly organized, and in operation, and until Multnomah County had an association properly organized, and in operation. A mutual association for the care of the low income group in Multnomah County has not yet been organized by this Society. However, it is the opinion of the Grievance Committee, that action against those engaged in unethical contract practice should be resumed in the near future.

Respectfully submitted,

(Signed) STANLEY LAMB
Chairman

(Signed) E. E. GAMBEE
(Signed) ROGER HOLCOMB

S.L./G.H.

Plaintiff's Exhibit 745

5651 Minutes of the Annual Meeting of the
Multnomah County Medical Society Council
Held at the Hotel Benson
Wednesday, December 21, 1938, at 6:30 P.M.

The meeting was called to order by the President, Frank R. Mount.

R. G. Leland, Director of the Bureau of Medical Economics of the American Medical Association, was the guest speaker. He discussed the recent federal indictment of certain officers and employees of the Association on the grounds that certain of its activities were in violation of the Sherman Anti-Trust Act. He characterized the indictment as "one of the most diabolical persecutions of the medical profession we have ever witnessed". He reviewed the progress of organized medicine in the field of medical economics. He stated that the medical profession is not opposed to the development of new methods of payment for medical service, but that it is opposed to the lowering of the quality of medical care.

The minutes of the 1937 Annual Meeting were read and approved.

A letter from the Portland Council of Hospitals was read. In the letter it was indicated that the Council of Hospitals was prepared to organize a non-profit group

hospitalization plan as soon as the medical profession was prepared to furnish medical service only through some responsible organization.

The report of the Secretary was read. Upon motion duly made and seconded, it was voted that the report of the Secretary be accepted.

The report of the Treasurer was read. Upon motion duly made and seconded, it was voted that the report of the Treasurer be accepted.

John H. Fitzgibbon, Delegate of the Oregon State Medical Society to the American Medical Association, made a verbal report of actions taken by the House of Delegates of the American Medical Association at the San Francisco Session.

F. Bertram Zener, Chairman of the Society's Delegation to the Oregon State Medical Society, outlined actions taken by the House of Delegates at the Timberline Lodge Session.

The following officers were unanimously elected:

President-Elect	Roy A. Payne
Vice-President	W. H. Bueermann
Secretary	Charles P. Wilson
Treasurer	Stanley Lamb

The following Councilors were elected for the two-year term ending in 1940:

Ernest L. Boylen
Ralph V. Moore
Charles E. Sears
Earl M. Anderson
Birchard A. Van Loan
Dean B. Seabrook

5652 The following Delegates to the Oregon State Medical Society were elected:

H. V. H. Thatcher
John R. Montague
Earl M. Anderson
C. O. Sturdevant
Joseph F. Wood
J. E. Buckley
Richard B. Adams
R. Lindsay McArthur
R. A. Bissett
W. H. Bueermann
Harry B. Moore

Thomas D. Robertson
Birchard A. Van Loan
George Ainslie
Otis F. Akin
B. O. Woods
F. H. Dammasch
Roger Holcomb

The incoming officers were then installed.

Retiring President Frank R. Mount turned the meeting over to the new President, Eugene W. Rockey.

There being no further business, the meeting was adjourned.

(Signed) CHARLES P. WILSON
Secretary

5653 * * * * *

Dr. Fitzgibbon outlined the proposed study of medical care which the American Medical Association has requested be undertaken by the state and local medical societies. Dr. Fitzgibbon reported that the study had been approved by the Council of the Oregon State Medical Society. Upon motion duly made and seconded, it was voted that the study be approved and that the President, subject to the approval of the Council, be authorized to appoint a committee to direct the study.

In the absence of Blair Holcomb and Guy L. Boyden, Councilors of the Oregon State Medical Society for Multnomah and Clackamas Counties, Dr. Martzloff called upon Dr. Sears to outline matters relating to contract practice and the medical care of the low-wage group under consideration by the Council of the Oregon State Medical Society at its meeting on April 2nd. Dr. Sears stated that the Committee on Medical Economics had submitted two reports at this meeting, recommending that the Oregon State Medical Society establish a plan of full-coverage, prepaid medical care to include, not only industrial groups, but all low wage-earners and eventually their families, the latter through a group hospitalization plan, and that such a plan be conducted by a statewide organization under standard contracts. Dr. Sears stated that this was an important matter and should be considered by the Council. It was concluded that copies of these reports should be sent to the members of the Council and that a meeting should be called shortly to discuss them.

There being no further business, the meeting was adjourned.

Secretary

Plaintiff's Exhibit 746

5654 Minutes of the Special Meeting of the
Council of the
Multnomah County Medical Society
Held at the Mallory Hotel on June 11, 1940
at 12:15 P.M.

The meeting was called to order by President Roy A. Payne, with the following members present:

Roy A. Payne
Stanley Lamb
W. H. Bueermann
Ernest L. Boyken
Ralph V. Moore
Earl M. Anderson
B. A. Van Loan
Charles C. Newcastle
Thomas D. Robertson
E. E. Gambee
George E. Henton

Laurence Selling, Joseph F. Wood, Secretary of the Oregon State Board of Medical Examiners, John J. Coughlin, legal counsel, and the assistant to the executive secretary were also present.

In the absence of Charles P. Wilson, Secretary, Stanley Lamb was appointed Secretary Pro-Tem.

The minutes of May 14th were read and approved.

* * * * *

Dr. Bueermann, President of the Multnomah Medical Service Bureau, discussed the demand from groups of employees now being served by the Bureau for a plan of prepaid medical care for their families. He stated that the Bureau had found a responsible insurance company which would write individual medical reimbursement policies for the dependents of Bureau subscribers, under an arrangement by which the Bureau would receive a percentage of the premium charged and would handle the administration of the medical service.

Dr. Bueermann outlined the problem confronting the Bureau in making known the benefits of its plan to groups of low-wage employees in business organizations newly established in the community. He pointed out the need for developing some method consistent with the Principles of Medical Ethics by which these groups could be informed concerning the benefits of the Bureau's plan.

Plaintiff's Exhibit 747

5655 MINUTES OF THE
Regular Monthly Meeting
of the
COUNCIL of the MULTNOMAH COUNTY
MEDICAL SOCIETY

Held in the Auditorium of the Medical Dental Bldg.
Tuesday, March 4, 1947

Present were Drs. Hollenbeck, Underwood, Swinney, Riddle, Bolton, Buckley, Murphy, Seabrook, Dittebrandt, Goodman, Montgomery, Adams and Chuinard.

Also present were Drs. Meador, Reike, Bridgeman, Lamb, Owen, Leach, Nisbet and Booth.

Meeting was called to order by President Hollenbeck at 8:00 P. M. in the auditorium of the Medical Dental Building.

* * * * * *

Dr. Buckley reported the activities of the committee on medical economics in connection with opposing inflationary price increases which would effect cost of medical care and particularly the increase in rentals of the Medical Dental Building. He read copy of the resolution passed jointly by the Multnomah County Medical Society and the Portland District Dental Society, a letter written to the management and stockholders of the Building, information obtained on building rentals in Portland and a petition of Building tenants asking that rents in the Medical Dental Building be maintained at the February level. By motion the Council accepted the report and approved the action of Dr. Buckley's committee.

Minutes of the Oregon Physicians' Service super-
5656 visory committee meetings of February 10 and 24 were read by Dr. Swinney.

Dr. Eugene Owen, chairman of a special stockholder's committee to study Oregon Physicians' Service operations, reported the completion of the committee's study and presented a majority report for the Council's consideration. Copies of the report were distributed to the members. Dr. Buckley, committee member, then presented the minority report. After a prolonged discussion of features of both reports, the chair advised Council members that these reports would be presented to Oregon

Physician's Service stockholders and then be returned to the Council for final action.

Dr. Buckley reported the proceedings of the Council of the Oregon State Medical Society's February meeting.

Dr. Riddle presented the report of the Board of Censors, approving the following for membership in the Multnomah County Medical Society:

Associate

John N. Perkins
Frank B. Queen

Junior

Walter Harold Achterman
Russell L. Baker
Robert Thomas Childs
Hance Francis Haney
Owen George Miller
John Martin Pierson

The report was accepted by the Council.

Dr. Swinney opened a discussion concerning the Society's responsibility for articles, either signed or unsigned, appearing in the Bulletin. On motion duly made, seconded and passed, the Executive Secretary was directed to include in the masthead of the Bulletin, a statement that opinions expressed in the Bulletin are those of the writers and do not necessarily represent the opinions or policies of the Multnomah County Medical Society.

The Meeting was adjourned.

(Signed) FRANKLIN J. UNDERWOOD
Dr. Franklin J. Underwood
Secretary

Plaintiff's Exhibit 748

5657

Minutes
of the Regular Meeting of the Council
of the Multnomah County Medical Society
held at the Mallory Hotel
April 6, 1937 at 12:15 P. M.

The meeting was called to order by President Robert L. Benson with the following members present:

Robert L. Benson
Banner R. Brooke
Karl H. Martzloff
A. G. Bettman
Howard P. Lewis
Stanley Lamb
Merl L. Margason
Charles E. Sears
Roy A. Payne
Eugene W. Rockey
B. O. Woods
Leo S. Lucas
John C. Adams

Blair Holcomb, E. E. Gambee, and C. E. Brous, members of the Committee on the Study of New Plans of Medical Care, Richard B. Adams, Chairman of the Grievance Committee, and the executive secretary were also present.

The minutes of March 15th were read and approved.

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A letter from Miss Celia Bast, R.N., President of the Oregon Association of Hospitals, and the following report of the Association's Committee on Hospital Insurance transmitted therewith were read:

OREGON ASSOCIATION OF HOSPITALS:

Your Committee on Hospital Insurance has met and unanimously agreed that no specific plan can be offered at this time. We feel that before any plan can be presented, the competition which we would have will have to be reduced.

It is recommended, therefore, that the Committee request the Medical Society to appoint a Committee to meet with the representatives of each hospital in Portland in order to attempt to solve some of these problems.

We further recommend that as the initiative must come from Portland that the plan be worked out by the Portland Council of Hospitals rather than the Oregon Association of Hospitals.

(Signed) W. B. Coffey
Chairman

Dr. Holcomb outlined the results of conferences of the Society's Committee on the Study of New Plans of Medical Care with the committee of the Oregon Association of Hospitals. He stated that the hospital representatives saw numerous obstacles to the success of any plan of group hospitalization which they might organize and were particularly concerned as to future developments in connection with the Multnomah Industrial Health Association. He further stated that the hospital representatives feared the competition which the lay-owned hospital associations would offer to a group hospitalization plan.

5658 Upon motion duly made and seconded, it was voted that no further action be taken concerning hospital insurance until the Society's committee had completed its work.

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Plaintiff's Exhibit 749

5659 Minutes of the Special Meeting of the Council of the Multnomah County Medical Society held at the Campbell Court Hotel Tuesday, May 17, 1938 at 12:15 P.M.

In the absence of President Frank R. Mount, the meeting was called to order by Karl H. Martzloff, Vice-President, with the following members present:

Eugene W. Rockey
Robert L. Benson
Karl H. Martzloff
Stanley Lamb
Howard C. Stearns
Roy A. Payne
Leo S. Lucas
J. E. Buckley
B. O. Woods
Noble Wiley Jones
E. E. Gambee
George E. Henton

S. G. Henricke, Chairman of the Committee on Clinic and Institutional Medical Care, Adolph Weinzirl, City Health Officer, A. E. Bostrum, Director of County Health

Units, State Board of Health, and the executive secretary were also present.

The minutes of May 3rd were read and approved.

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The matter as to whether the Society should adopt a definite policy for the guidance of its members with respect to charging insurance companies, which, in connection with applications and claims, request reports from physicians concerning patients whom they have served, was taken from the table. After considerable discussion, upon motion duly made and seconded, it was voted that it be the policy of the Society that a uniform charge of $2.00 be made to insurance companies for such reports, provided a majority of the membership, through a questionnaire, indicates approval of such a policy.

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Secretary
(Signed) Howard C. Stearns

Plaintiff's Exhibit 750

5661 Minutes of the Special Meeting of the Council
of the
Multnomah County Medical Society
Held at the Mallory Hotel
Tuesday, October 25, 1938, at 12:15 P.M.

The meeting was called to order by President Frank R. Mount.

The following members were present:

Frank R. Mount
Robert L. Benson
Karl H. Martzloff
Stanley Lamb
Howard C. Stearns
Charles E. Sears
John C. Adams
Howard P. Lewis
Leo S. Lucas
J. E. Buckley
B. O. Woods
Merle W. Moore
E. E. Gambee
George E. Henton

Richard B. Adams, Joseph F. Wood, John J. Coughlin, legal counsel, and the executive secretary were also present. The minutes of October 7th were read and approved.

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Dr. Woods, chairman, presented the following report of the Special Committee to Investigate Uniform Charges for Reports to Insurance Companies:

5662 Upon motion duly made and seconded, it was voted that this report and recommendations contained therein be adopted.

Dr. Sears, Chairman of the Committee on Public Policy, outlined the proposed W.P.A. medical survey. Dr. Sears stated that the idea of the survey had originated with Dr. F. H. Dammasch, Medical Director of the Multnomah Industrial Health Association, and that its purpose was to analyze the date covering the operation of the Multnomah Industrial Health Association during the past six years in order to ascertain the exact cost of the various items entering into the services provided by the association, as well as to develop information concerning the variations in the cost of rendering prepaid medical service resulting from differences in age, sex, occupation, etc. He stated that this was a worthy purpose and that such a survey would be of value to the Society. He stated that, under the proposed plan, the W.P.A. would furnish the personnel and that the Multnomah Industrial Health Association would provide office space and equipment. He stated that it might be desirable that the survey be financed by medical organization in order that the results might not be misinterpreted by some governmental agency, but that, on the other hand, if the survey was properly directed and was based on facts, it would seem impossible for the figures to be twisted.

Dr. Henton stated that it was important to develop data concerning the cost of providing medical care to families on a prepaid basis as that problem was certain to be presented in the near future. He stated that none of the local organizations had any data on this subject, but that the experience of the Cowlitz County (Washington) Medical Service Bureau, which has had experience with this type of coverage, could be analyzed as a part of the proposed survey. He stated that the survey should not be confined to the Multnomah Industrial Health Association but should include the other local prepaid organizations.

Dr. Wood stated that the supervisor of the survey could be designated by the Society.

Dr. Martzloff stated that a very complete study of the costs of medical care had been made several years ago in Pierce County, Washington, and that the data obtained in that survey was available. He stated that if the Society were to exercise control of the survey, it would need to employ two or three expert statisticians, as any members appointed to supervise the proposed survey would be too busy with their practices to provide effective control.

Upon motion duly made and seconded, it was voted that the Committee on Public Policy be thanked for their study of the proposed W.P.A. medical survey and that they be requested to give the subject further study and to make a report to the Council in the very near future.

Dr. Lamb presented the following report of the Committee on the Medical Care of Low-Wage Industrial Groups:

(See Report)

There was considerable discussion concerning the report, but it was concluded that the members of the Council should have more time in which to consider it. Upon motion duly made and seconded, it was voted that the report be accepted and that action be deferred until a special meeting, to be held on Friday, October 28th, at 8:00 P.M., in the auditorium of the Medical-Dental Building.

There being no further business, the meeting adjourned.

(Signed) Howard C. Stearns
Secretary

Plaintiff's Exhibit 751

5663 Minutes of the Special Meeting of the Council
of the
Multnomah County Medical Society
Held at the Mallory Hotel
Wednesday, August 23, 1939, at 12:15 P.M.

The meeting was called to order by President Eugene W. Rockey with the following members present:

Eugene W. Rockey
Roy A. Payne
W. H. Bueermann
Charles P. Wilson

Charles E. Sears
William A. Shea
Noble Wiley Jones
E. E. Gambee
Earl M. Anderson
Birchard A. Van Loan
George E. Henton

Richard B. Adams, Harry B. Moore, John R. Montague, Thomas D. Robertson, delegates to the Oregon State Medical Society, Adolph Weinzirl, John J. Coughlin, legal counsel, and the executive secretary were also present.

The minutes of May 22nd and June 14th were read and approved.

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5664 • • • • •

Dr. Payne, Chairman of the Committee on Plans of Medical Care for Low-Wage Industrial Groups, presented a written report concerning the recent activities of the committee, including a report by Dr. Jones, who had been working on problems related to pharmacy. (These reports are attached to these minutes.)

• • • • •

5665 President Rockey inquired as to whether the Council desired to give any instructions to the delegates to the Oregon State Medical Society. No instructions were suggested.

There being no further business, the meeting was adjourned.

(Signed) CHARLES P. WILSON
Secretary

Plaintiff's Exhibit 753

5666 Minutes of the Regular Meeting of the Council
of the
Multnomah County Medical Society
Held at the Mallory Hotel, May 2, 1939, at 12:15 P.M.

The meeting was called to order by President Eugene W. Rockey with the following members present:

Eugene W. Rockey
Frank R. Mount
Roy A. Payne
W. H. Bueermann

Stanley Lamb
Charles P. Wilson
Noble Wiley Jones
B. O. Woods
Charles E. Sears
George E. Henton
Ralph V. Moore
Birchard A. Van Loan
E. E. Gambee

Adolph Weinzirl, Mr. McCoy, of the Maccabees, John J. Coughlin, legal counsel, and the executive secretary were also present.

* * * * *

The minutes of the meeting of April 18th were read and approved.

5667 Dr. Wilson discussed the desirability of publishing a bulletin, which would include notices of meetings and other items of interest. He stated that sufficient advertising could be obtained to cover the cost of publication. Upon motion duly made and seconded, it was voted that the publication of a bulletin be approved and that the Secretary be authorized to publish it in such form as he desires.

Dr. Lamb presented the following reports of the Committee on the Study of Plans of Medical Care for Low-Wage Groups in Multnomah County:

(See attached)

Dr. Moore commented on the desirability of the early establishment of a plan of group hospitalization. He stated that such a plan would make it possible for physicians to receive their compensation in many cases in which the cost of hospitalization is so great that there is not sufficient funds available to pay the physician. He stated that the hospitals should operate such a plan and that the druggists should deal with the drug problem in its relation to the care of low-wage groups.

Upon motion duly made and seconded, it was voted that the reports of the Committee on the Study of Plans of Medical Care for Low-Wage Groups in Multnomah County be adopted.

Attention was called to Section 4A of the first report of the committee, under which the Council is to nominate 26 Class B stock-holders of the Oregon Medical Service Bureau from which the Board of Trustees is to select the

Directors. Upon motion duly made and seconded, it was voted that the President be authorized to appoint a committee to submit nominations for Directors of the Bureau for the consideration of the Council.

Upon motion duly made and seconded, a vote of appreciation was extended to the Committee on the Study of Plans of Medical Care for Low-Wage Groups in Multnomah County.

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(Signed) CHARLES P. WILSON
Secretary

5668 Multnomah County Medical Society

REPORT OF COMMITTEE ON THE STUDY OF PLANS OF MEDICAL CARE FOR LOW-WAGE GROUPS IN MULTNOMAH COUNTY

April 28, 1939

Your committee, to which you referred for study and recommendations the application of the Oregon Medical Service Bureau for approval as an agency to provide medical care to low-wage industrial groups in Multnomah County, in accordance with the Policy and Program for the Medical Care of Low-Wage Industrial Groups, adopted by the House of Delegates of the Oregon State Medical Society on August 25, 1938, recommends that approval be granted the Bureau subject to the fulfillment of the following conditions:

1. *Change of Name*:

   That the name of the Bureau be changed to "The Multnomah Medical Service Bureau."

2. *Sale of Stock*:

   A. That the voting stock, so-called Class B stock, of the Bureau be sold only to physicians and surgeons duly licensed to practice in the State of Oregon, who are members of the Multnomah County Medical Society and the Oregon State Medical Society.

   B. That the non-voting stock, so-called Class C stock, be sold only to physicians and surgeons, legally licensed to practice in the State of Oregon, who are practicing outside of Multnomah County and who are members of their respective local medical so-

cieties and the Oregon State Medical Society, and only in such cases as are approved by the Bureau of Medical Economics of the Oregon State Medical Society.

3. *Election of Trustees*:

A. That all the Trustees of the Bureau tender their written resignations to the Secretary of the Bureau at once, the resignations to become effective on May 22, 1939, the date of the reconvening of the adjourned annual meeting of the stock-holders.

B. That the stock-holders of the Bureau, at a special meeting to be held at an early date, nominate 10 stock-holders for Trustees to fill the vacancies created by the resignations of the present Trustees; that from this list of 10 nominees the Council of the Multnomah County Medical Society select 7, and that, at the reconvened annual meeting on May 22, 1939, the stock-holders of the Bureau formally elect as Trustees the 7 nominees selected by the Council.

4. *Election of Directors*:

A. That the By-Laws of the Bureau be amended to provide that the Council of the Multnomah County Medical Society shall submit, at least two weeks before the 1939 annual meeting of the Bureau, a list of 26 Class B stock-holders of the Bureau from which the Board of Trustees shall elect the Directors for the ensuing year, 13 of these Class B stock-holders to be the present Directors of the Bureau, except in the event that the Medical Director shall be a member of the Board of Directors at the time of the submission of the list, his name shall not be included.

5669 B. That the By-Laws of the Bureau be amended to provide that in subsequent years the Council of the Multnomah County Medical Society shall submit, at least two weeks before the annual meeting of the Bureau, a list of 26 Class B stock-holders of the Bureau from which the Board of Trustees shall elect the Directors for the ensuing year, at least 8 of these Class B stock-holders to be Directors of the Bureau at the time the list is submitted.

5. *Activities of the Board of Directors*:

A. That the Board of Directors of the Bureau agree to submit all questions of policy which involve the Principles of Medical Ethics to the Board of Censors of the Multnomah County Medical Society, that the Board of Directors agree that each Director shall be responsible to the Board of Censors for the carrying out of any policy which might involve the Principles of Medical Ethics, and that the Board of Directors agree that each Director is subject to disciplinary action by the Board of Censors for the violation of any of the Principles of Medical Ethics by the Bureau, or any of its agents. Among the policies referred to above as involving the Principles of Medical Ethics are:

1. Solicitation and advertising.
2. The premium cost of service to insure that the charges are sufficient to provide adequate medical care.
3. Underbidding and competition.
4. Eligibility to receive medical care from the Bureau, including the establishment of a reasonable maximum income of persons to be covered by contracts of the Bureau.
5. Relationship of the Bureau to agencies providing hospital service, drugs, and related services.
6. Policies which prevent or restrict the free choice of physician.
7. Activities which are contrary to sound public policy.

B. It is recommended that the Bureau arrange to compensate the members of the Board of Directors on a reasonable per diem basis for the time spent in discharging their duties, in order to encourage the Directors to assume their responsibilities in directing and controlling the activities of the Bureau and its agents.

6. *Medical Director*:

A. That the Medical Director resign from the Board of Trustees, Board of Directors, Executive Committee

of the Board of Directors, and as Secretary-Treasurer of the Bureau. It is not the intention to displace the present Medical Director. It is recommended that the Board of Directors of the Bureau retain the present Medical Director and that the Board enter into a contract with him under terms and conditions mutually satisfactory to the Board and to the Medical Director.

5670 B. That the By-Laws be amended to provide that the Medical Director, Business Manager, or other administrative head of the Bureau shall not be eligible to serve as a member of the Board of Trustees or of the Board of Directors.

C. That the By-Laws be amended to permit the Board of Directors to delegate certain functions, such as the signing of checks under the approval of the Board of Directors, to the Medical Director or other administrative head of the Bureau.

D. That the contract heretofore entered into between the Bureau and its Medical Director be amended to state what was intended; that is, that the Medical Director be compensated by a sum equal to a percentage of the aggregate amount available each month for payments by the Bureau to its staff physicians in Multnomah County alone, it being understood that no limitation of the compensation of the Medical Director is suggested, nor is this condition to be construed in any way as an attempt to limit his compensation; that as a corollary of this condition, the Medical Director receive no salary or other compensation from any organization outside of Multnomah County operating a plan of medical care for services as Medical Director, Manager, or in any other capacity; and that no other contract of employment, other than on a month to month basis, be entered into between the Bureau and any of its employees, except upon the approval of the Council of the Multnomah County Medical Society.

7. Limiting of Activities to Multnomah County:

That the Bureau do not communicate with physicians outside of Multnomah County in attempting to affiliate such physicians with the Bureau, and

that the Bureau promptly transmit to the Bureau of Medical Economics of the Oregon State Medical Society all communications from individual physicians, groups of physicians, and local medical societies, which relate to possible affiliation with the Bureau, and that the Bureau confine its activities to the work of the Bureau in Multnomah County, except as otherwise specifically approved by the Bureau of Medical Economics of the Oregon State Medical Society.

8. *Relations With Specialists*:

That the Bureau, after conferences with committees of the various specialists, place in effect a policy with respect to the compensation and other conditions relating to the rendering of professional services by members engaged in the various specialties which gives proper recognition to their training and the costs they incur in their respective branches of medical practice, with due consideration of the rights of members engaged in general practice and the funds available for the payment of professional services.

9. *Hospitalization*:

A. That the eventual aim of the Bureau be to provide medical and related services and allow a hospitalization plan to furnish hospitalization and related services independently of the Bureau.

5671 B. That the Bureau and a committee of the Multnomah County Medical Society immediately contact the Portland Council of Hospitals with a view to developing a plan of group hospitalization with the objective of eliminating hospitalization from the contracts of the Bureau.

10. *Drugs and Medicines*:

That the Bureau and a committee of the Multnomah County Medical Society immediately contact the drug-store proprietors of Multnomah County with the objective of eliminating the supplying of drugs and medicines from the contracts of the Bureau.

11. *Reorganization as Non-Profit Corporation*:

That the Bureau and a committee of the Multnomah County Medical Society investigate the feasi-

bility of changing the corporate structure of the Bureau from that of a corporation for profit to that of a non-profit corporation and that such a change be made, provided it is legally sound.

12. Other Changes:

That any other changes be made that appear to be necessary to give the physicians who will become members of the Bureau after the reorganization the same status as present members, and that the Bureau be operated in an ethical manner.

13. Revocation of Approval:

That in the event of the approval of the Bureau by the Council of the Multnomah County Medical Society, it be clearly understood that approval may be revoked at any time upon the violation by the Bureau, or any of its agents, of any of the conditions upon which approval is based, provided that before revoking approval, the Council shall grant the Bureau a full hearing, giving the Bureau 10 days written notice of the time and place of the hearing.

Respectfully submitted,

Stanley Lamb, Chairman
B. O. Woods
Charles E. Sears
W. H. Bueermann
George E. Henton
Harry B. Moore
Frank R. Mount

5672 Multnomah County Medical Society

SUPPLEMENTARY REPORT OF COMMITTEE ON THE STUDY OF PLANS OF MEDICAL CARE FOR LOW-WAGE GROUPS IN MULTNOMAH COUNTY

April 28, 1939

Your committee submits the following supplementary recommendations with respect to the medical care of low-wage industrial groups in Multnomah County:

1. That the Council of the Multnomah County Medical Society elect a committee of at least three mem-

bers of the Council, and elect as Chairman an elected officer of the Society; this committee to be designated as the Committee on Plans of Medical Care for Low-Wage Industrial Groups and to have the following functions:

a. To keep in constant contact with the status and operation of all plans of prepaid medical care in Multnomah County.

b. To serve as an advisory committee to the Council in connection with all problems relating to prepaid medical care.

c. To confer with the Grievance Committee, Board of Censors, and any other agency of the Society with respect to matters relating to prepaid medical care.

d. To assume any other functions relating to prepaid medical care which may be assigned to it by the Council.

2. That this committee be authorized to contact, at the earliest feasible opportunity, other organizations now engaged in providing medical, hospital and related services to low-wage industrial groups in Multnomah County, for the purpose of giving each of these organizations an opportunity to apply for recognition as an approved agency for the care of low-wage industrial groups in Multnomah County.

Respectfully submitted,

Stanley Lamb, Chairman
B. O. Woods
Charles E. Sears
W. H. Bueermann
George E. Henton
Harry B. Moore
Frank R. Mount

Plaintiff's Exhibit 754

5673

ROY A. PAYNE, M. D.
PHYSICIAN AND SURGEON
SUITE 509 STUDIO BUILDING
PORTLAND, OREGON

August 22, 1939

Council of the Multnomah Medical Society

Gentlemen:

The report of the committee for Inter-communication between the Council and the groups engaged in contract practice can naturally be but a progress report. Your committee has been busy and has held numerous meetings. The chief demand for its time has been in regard to the relationship of the Oregon Medical Service Bureau to the Pharmaceutical Society. Dr. Noble Wiley Jones has been in charge of this phase of the activity and we are herewith presenting Dr. Jones report for your consideration.

We may with fairness state that as we have watched the developments in this phase of committee activity we have had a complete reversal of our pre-conceived opinions. Through the past months we have been bombarded with literature from Mr. Lynch's office. Our feeling was that in all probability the blame was quite equally divided and that with minor adjustments the problem could be solved. Our present viewpoint is that a ruling minority of the active pharmaceutical body in the state is in all probability for purposes of aggrandizement, publicizing this warfare the Medical Service Bureau. The very assumption that any contract might be permanent and not subject to reversion opens the question as to their sincerity. The immediate swing back from any attempt to conciliate or adjust to their old arguments and demands for entire accordance with their own ideas as to settlement, shows the fallacy of hoping for results through meetings with this body at the present time. Their actual threat as to what the results will be if such a settlement is not made in a specified time smacks of a dictatorship a la Hitler, that is to say the least interesting in American Society. We are asking you for authorization of a policy of watchful waiting to see what the results of this projected campaign will be on the ranks of organized pharmacists.

Other points brought up have been of little importance. Matters relating to complaints of Solicitation and of improper salary levels in the Oregon Medical Service Bureau have been taken up with the officials of that body. Minor questions of politics have been answered to the best of our ability.

5674 Perhaps the question of June 26th from Dr. H. B. Moore as to the change in the caption on their literature, the phrase "The Doctor Owned Bureau" to the original "The Doctors' Own Bureau", is typical. So far as possible it has been our policy to interfere as little as possible with matters not directly affecting the County Society.

Inquires have been received from the Western Hospital Association and from Dr. C. C. Moore of the Industrial in regard to the possibility of meeting requirements so that these organizations might be approved. Every attempt has been made to avoid an inference of favoritism in the answering of these requests.

Requests have been forwarded to the committee on economics of the State Society's to hasten the formulation of some plan by which the matter of Soliciting contracts for all approved groups handling Industrial contracts practice throughout the State may be taken care of.

We feel most strongly that only when this matter is handled in a manner that takes it out of local competition will there be any chance of giving this type of service without constant recrimination and charges of Solicitation.

Sincerely yours,

(Signed) Roy A. Payne
Roy A. Payne M.D.

RAP:FW

Plaintiff's Exhibit 755

5675 Minutes of the Special Meeting of the Council
of the
Multnomah County Medical Society
Held at the Mallory Hotel
Tuesday, October 25, 1938, at 12:15 P.M.

The meeting was called to order by President Frank R. Mount.

The following members were present:

Frank R. Mount
Robert L. Benson

Karl H. Martzloff
Stanley Lamb
Howard C. Stearns
Charles E. Sears
John C. Adams
Howard P. Lewis
Leo S. Lucas
J. E. Buckley
B. O. Woods
Merle W. Moore
E. E. Gambee
George E. Henton

Richard B. Adams, Joseph F. Wood, John J. Coughlin, legal counsel, and the executive secretary were also present.
The minutes of October 7th were read and approved.

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Plaintiff's Exhibit 756

5676 Minutes of the Special Meeting of the Council
of the
Multnomah County Medical Society
Held in the Auditorium of the Medical Dental Building
Monday, October 28, 1938, at 8:00 P.M.

The meeting was called to order by President Frank R. Mount, with the following members present:

Frank R. Mount, Eugene W. Rockey, Stanley Lamb, Howard C. Stearns, Charles E. Sears, Roy A. Payne, John C. Adams, J. E. Buckley, B. O. Woods, E. E. Gambee, William A. Shea, George E. Henton.

John H. Fitzgibbon, S. H. Sheldon, Charles P. Wilson, Richard B. Adams, John J. Coughlin legal Counsel, and the executive secretary were alsc present.

Dr. Lamb, Chairman of the Committee on the Medical Care of Low-Wage Industrial Groups, reviewed the report of the Committee which was presented at the meeting of October 28th.

Upon motion duly mad and seconded, it was voted that approval be given the Oregon Medical Service Bureau, formerly the Multnomah Industrial Health Association, as the organization to provide medical care to low-wage industrial groups, subject to the approval of a majority of the voting members of the Society, as indicated by a mail vote, and to the fulfillment of the following conditions:

1. That the name of the corporation be changed to "The Multnomah Medical Service Bureau".

2. That the voting stock of the corporation be sold only to physicians and surgeons duly licensed to practice in the State of Oregon, who are members of the Multnomah County Medical Society and the Oregon State Medical Society.

3. That the non-voting stock, so-called Class C Stock, be sold only to physicians and surgeons, legally licensed to practice in the State of Oregon, who are practicing outside of Multnomah County, and only in such cases as are approved by the Bureau of Medical Economics of the Oregon State Medical Society.

4. That all the Trustees of the corporation tender their written resignations to the Secretary of the corporation at once, the resignations to be effective on the date of the annual meeting of the corporation to be held in April 1939, and their successors to be elected by the stock-holders at the annual meeting.

5. That the voting trust agreement affecting Class B shares (new shares to be issued by the corporation) be limited to a two-year period and be amended to provide that any Trustee or Trustees may be recalled by the stock-holders of the corporation at any annual meeting or special meeting called for that purpose and their successors elected by the stock-holders to serve the unexpired term. (The Council concluded that the voting trust agreement should be rendered more flexible because under it, the Trustees have all the powers and privileges of the stock-holders.)

6. That the eventual aim of the corporation be to provide medical and related services and allow a hospitalization plan to furnish hospitalization and related services independently of the corporation.

5677 7. That any other changes be made that appear to be necessary to give the physicians who will become members of the corporation after the reorganization, the same status as present members and that the corporation be operated in an ethical manner.

8. That following the approval by the Council of the corporation as the local organization to provide medical care to low-wage industrial groups, the Council

shall select one member from among each 18 physicians who subsequently become stock-holders of the corporation, to act in an advisory capacity to the Board of Directors until the annual meeting of the corporation.

9. That the corporation accept the offered resignation of the Medical Director as a member of the Board of Directors of the corporation; that it be the policy of the corporation in the future that the Medical Director and/or Business Manager shall not be a member of the Board of Directors; and that the vacancy in the Board of Directors so created be filled by a member of the Society nominated by the Council, such member to be a stock-holder of the corporation.

10. That the activities of the corporation be subject to the supervision of the Council.

11. That other associations or corporations which are now engaged in providing medical, hospital, and related services to low-wage industrial groups in Multnomah County be contacted at the earliest feasible opportunity, with the ultimate object of associating these agencies with the organization approved by the Council.

Upon motion duly made and seconded, the Secretary was instructed to send a report concerning this action and the facts with reference thereto to each voting member of the Society, with the request that each voting member express himself concerning it and that only such ballots be counted as shall be received at the office of the Society within five days of the mailing of the report and ballot.

There being no further business, the meeting was adjourned.

Secretary
(Signed) Howard C. Stearns

Plaintiff's Exhibit 758

5678 Multnomah County Medical Society

SUPPLEMENTARY REPORT OF COMMITTEE ON THE STUDY OF PLANS OF MEDICAL CARE FOR LOW-WAGE GROUPS IN MULTNOMAH COUNTY

April 28, 1939

Your committee submits the following supplementary recommendations with respect to the medical care of low-wage industrial groups in Multnomah County:

1. That the Council of the Multnomah County Medical Society elect a committee of at least three members of the Council, and elect as Chairman an elected officer of the Society; this committee to be designated as the Committee on Plans of Medical Care for Low-Wage Industrial Groups and to have the following functions:

   a. To keep in constant contact with the status and operation of all plans of prepaid medical care in Multnomah County.

   b. To serve as an advisory committee to the Council in connection with all problems relating to prepaid medical care.

   c. To confer with the Grievance Committee, Board of Censors, and any other agency of the Society with respect to matters relating to prepaid medical care.

   d. To assume any other functions relating to prepaid medical care which may be assigned to it by the Council.

2. That this committee be authorized to contact, at the earliest feasible opportunity, other organizations now engaged in providing medical, hospital and related services to low-wage industrial groups in Multnomah County, for the purpose of giving each of these organizations an opportunity to apply for recognition as an approved agency for the care of low-wage industrial groups in Multnomah County.

Respectfully submitted,

Stanley Lamb, Chairman
B. O. Woods
Charles E. Sears
W. H. Bueermann
George E. Henton
Harry B. Moore
Frank R. Mount

Plaintiff's Exhibit 759

5679 Minutes of the Special Meeting of the Council
of the
Multnomah County Medical Society
Held at the Mallory Hotel, May 22, 1939
12:15 P.M.

In the absence of President Eugene W. Rockey, the meeting was called to order by W. H. Bueermann, Vice-President, with the following members present:

Roy A. Payne
W. H. Bueermann
Stanley Lamb
Charles P. Wilson
Charles E. Sears
E. E. Gambee
Howard P. Lewis
B. O. Woods
William A. Shea
George E. Henton
Noble Wiley Jones
Ralph V. Moore
B. A. Van Loan
Dean B. Seabrook

John J. Coughlin, legal counsel, and the executive secretary were also present.

The minutes of May 8th were read and approved.

A letter which the Secretary, in accordance with instructions of the Council, had written to the Oregon Medical Service Bureau outlining the procedure for approval as an agency for medical care in low-wage industrial groups was read.

Dr. Bueermann stated that the conditions of approval laid down by the Council consisted of certain conditions

which could be immediately met and other conditions requiring future performance and that the Oregon Medical Service Bureau had agreed to all the stated conditions. He stated that the required changes in the articles of incorporation and by-laws of the Bureau were being made and that these changes would shortly be in effect.

A letter from the Oregon Medical Service Bureau, dated May 16, 1939, transmitting a letter received by the Bureau from the Clatsop County Medical Society was read. The letter from the Clatsop County Medical Society was as follows:

"Oregon Medical Service Bureau
337 Pittock Block
Portland, Oregon

Gentlemen:

At the regular meeting of the Clatsop County Medical Society, held on Friday, May 12, 1939, the following resolution was unanimously passed:

On and after June 1, 1939, members of the Clatsop County Medical Society will render service only to individuals under coverage of the National Hospital Association and the Industrial Hospital Association, as these two organizations have accepted and agreed to pay for services on the basis of the fee schedule drawn up by the Clatsop County Medical Society, and further have agreed to pay for work-injury and all other accident cases on the basis of the State Industrial Accident Commission schedule
5680 of rates, and further have agreed that all members of the Clatsop County Medical Society be on the accepted list of physicians of these two hospital associations. An exception to the payment for services as outlined above is made in the case of certain physicians employed by these hospital associations in outlying communities where competent medical care is not available unless provided in this manner.

Sincerely yours,

Allen M. Boyden, M. D.
Secretary
Clatsop County Medical Society"

A letter from the Oregon Medical Service Bureau, under date of May 20, 1939, was read. In this letter, it was pointed

out that the action of the Clatsop County Medical Society, as expressed in this resolution, had created a situation which made it difficult for the Oregon Medical Service Bureau to provide service to certain of its subscribers who require to be cared for in Clatsop County. In discussion, it was explained that the subscribers of the Bureau who needed to receive service in Clatsop County are employees of certain business concerns whose headquarters are in Portland, but who also carry on business in Clatsop County and elsewhere.

Following an extended discussion, on motion duly made and seconded, it was voted as the consensus of opinion that there could be no objection to the Oregon Medical Service Bureau taking steps to arrange for service it is obligated to render under present contracts to those of its subscribers who may need to be cared for in Clatsop County, provided any action the Bureau takes to accomplish this purpose does not conflict with the policies of the Bureau of Medical Economics of the Oregon State Medical Society.

There was discussion concerning the supplementary report of the Committee on the Study of Plans of Medical Care for Low-Wage Groups in Multnomah County, which was adopted by the Council on April 28, 1939, in which it was provided that the Council should elect a Committee on Plans of Medical Care for Low-Wage Industrial Groups to consist of three of its members, with an elected officer of the Society as Chairman. Upon motion duly made and seconded, it was voted that this committee be now elected. The following were nominated and unanimously elected to serve on this committee:

Roy A. Payne, Chairman
Noble Wiley Jones
Dean B. Seabrook

A letter from the Oregon Medical Service Bureau was read. In the letter, it was stated that the stock-holders of the Bureau had nominated the following stock-holders for Trustees of the Bureau:

George E. Henton
H. F. Leonard
B. A. Van Loan
F. Floyd South
Eugene P. Owen
J. D. Sternberg
W. H. Bueermann